

## Legislative Assembly of Alberta

**Title:** Tuesday, June 5, 2007

**1:00 p.m.**

Date: 07/06/05

[The Speaker in the chair]

head:

### Prayers

**The Speaker:** Good afternoon.

Let us pray. Give to each member of this Legislature a strong and abiding sense of the great responsibilities laid upon us. Give us a deep and thorough understanding of the needs of the people we serve. Amen.

Please be seated.

head:

### Introduction of Guests

**The Speaker:** The hon. Minister of Energy.

**Mr. Knight:** Thank you very much, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly some important members of the Alberta Energy and Utilities Board. Mr. Brad McManus has been acting chairman of the EUB for over two months now, and his handling of this challenging task deserves recognition here today. Taking the reins of an organization in an interim capacity, especially one as dynamic and robust as the EUB, is not something that many individuals are suited for. Thankfully, the culmination of his experiences, including that as a member of the Public Utilities Board of Alberta, has served him well in this position and has enabled him to step up in a leadership role during this time of transition.

Joining him today, Mr. Speaker, the talented Rich Jones, who was kind enough to make time to join us again today.

I would ask Brad and Rich, who are seated in the members' gallery, to please stand and receive the warm welcome of this Assembly.

**The Speaker:** The hon. Leader of the Official Opposition.

**Dr. Taft:** Thank you, Mr. Speaker. I'm privileged to introduce to you and through you to all members of the Assembly quite a number of guests who are in the public gallery. I will proceed through the names fairly quickly because of the number. I'd like to introduce Indira Saroya, vice-president of the Alberta women's commission; Jagjit Singh Gill, president of the Gurdwara Singh Sabha; Darshan Singh Gill, former president of the Gurdwara Singh Sabha; Baljinder Singh Sandhu, president of Khalsa school; Jagjit Singh Sidhu, principal of Headway school; Reverend Patras Bhatti; Jagda Chanan; Surinder Deol, Punjabi Art Association; Sanjeevan Singh, Punjabi Art Association; Narinder Singh Bhui, president of the Gurdwara, Mill Woods; Paramjit Singh Ubhi, senior vice-president, Gurdwara, Mill Woods; Surinder Singh Hunjan, general secretary of the Gurdwara, Mill Woods; and Balbir Singh Kular, president of Mill Woods cultural society. I would ask the people I've named to please rise and receive the warm welcome of the Assembly.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Ellerslie.

**Mr. Agnihotri:** Thank you very much, Mr. Speaker. It's my great honour and pleasure to rise and introduce to you and through you to all members of the Assembly 10 outstanding community leaders. They are seated in the public gallery. I want to thank them for coming to the Legislature. Allow me to read their names. Dr.

Shahab Ahmad, director, Ahmadiyya Muslim Community, Edmonton; Gurbhulinder Singh Sandu, editor, *Des Pardes* Punjabi news; Kamal Loyal, director, *Des Pardes* Punjabi news; Joginder Singh Pannu, president, Gurdwara Guru Nanak; Skattar Singh Sandhu, chairman, Nagar Kirtan committee; Charan Singh Sagoo, chairman, Indo-Canadian liaison committee of Edmonton; Aman Gill, co-chair, Indo-Canadian committee of Edmonton and also a candidate for the Edmonton-Mill Creek riding for the Alberta Liberals; Dr. Prithviraj Kalia, president, Maple Leaf Writers Foundation of Edmonton; Sohail Quadri, president, Pakistan-Canada Association; Yogesh Ashta, editor, *Wildrose Times*; Vilmal Sharma, director, *Wildrose Times*. I request them to please rise and receive the traditional warm welcome of the Assembly.

Thank you very much.

**The Speaker:** The hon. Member for Edmonton-Mill Woods.

**Mrs. Mather:** Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all members of the Assembly a number of wonderful leaders from Mill Woods. The first is Chander Mittal, president of the Bhartiya Cultural Society; Amarjit Sohi, spokesman for the Mill Woods crime council and candidate for ward 6 in the civic election; Gurcharn Buttar, host, Radio Sur Sangam; Mewa Singh Phul, vice-president of the Ramgarhia cultural association; Jaspal Singh Bansal, treasurer of the Ramgarhia cultural association; Sital Singh Nanuan, spokesman for the Sikh Federation and president of the Mill Woods-Beaumont Liberal association; Rukhsana Amin, president of the Multicultural Society; Sofia Yakub, president, arts and crafts centre; Naimat Khan, president of the Ahmadiyya Muslim Community, Edmonton. I'd like them to rise and accept the warm and traditional welcome from the Assembly.

**The Speaker:** The hon. Member for Calgary-Currie.

**Mr. Taylor:** Thank you very much, Mr. Speaker. On behalf of the Member for St. Albert it is my great pleasure to introduce to you and through you to all members of the House today 11 members of the St. Albert Red Hat Society. This particular chapter is known as the SALSA chapter, which stands for St. Albert Ladies with a Sassy Attitude. If all 11 sassy ladies would please stand and accept the warm welcome of the House.

**The Speaker:** The hon. Member for Edmonton-Highlands-Norwood.

**Mr. Mason:** Thank you very much, Mr. Speaker. I'm delighted to introduce to you and through you to this Assembly two picketers from the Palace Casino strike, which is now in its 270th day due to this government's refusal to pass first contract legislation. Their names are Mark Mendoza and Jason Hnidan. Mark has been at the Palace Casino for two years in the slot department as a cashier. He enjoys outdoor activities like running and mountain biking. At the moment he's saving for school to be a civil engineer. Jason has been a poker dealer for two years and before that worked in computer sales and still enjoys working in that field. Accompanying them is bargaining committee member Richard Konkin and UFCW 401 member Tania Wiest. I would now ask that they all rise and receive the traditional warm welcome of the Assembly.

head:

### Members' Statements

**The Speaker:** The hon. Member for Drayton Valley-Calmar.

### National Hunger Awareness Day

**Rev. Abbott:** Thank you, Mr. Speaker. I rise today to recognize and bring attention to June 5 as the inaugural National Hunger Awareness Day, a day that raises awareness about a solvable problem. Alberta's farm and ranch families are proud of our province's productive agricultural sector and are doing their part in a province where agriculture is such a vital part of our economy and food supply. In our agricultural sector we are looking at our practices and are committed to ongoing work to develop innovative, sustainable agricultural systems. We are continuing to find ways that encourage greater local food supplies, that in turn make food purchases more affordable for Albertans.

Eliminating hunger will also be achieved through greater collaboration amongst organizations, businesses, and individuals. For example, in Edmonton, Calgary, Leduc, and Olds residents are participating in the Plant a Row, Grow a Row program, that encourages local gardeners to plant an extra row of produce for their local food bank. This program demonstrates how solutions can sometimes be found, literally, in our own backyard. Building on the idea of people helping people, this unique program provides a simple way to get involved and make a meaningful difference in your community. This approach not only contributes thousands of pounds of produce for local food banks but also helps build and foster community spirit. We hope that innovative approaches like this continue to grow in other communities across Alberta.

As people prepare for summer activities, this is a good time to remind everyone that the actions of even one person can help make a difference. All Albertans can play a part by volunteering in their community and donating food and funds during special event food drives.

I would like to acknowledge the efforts made by food banks and Albertans across the province in bringing awareness to this issue and working together for the less fortunate.

Thank you, Mr. Speaker.

1:10

**The Speaker:** The hon. Member for Whitecourt-Ste. Anne.

### Seniors' Week 2007

**Mr. VanderBurg:** Thank you, Mr. Speaker. Today I rise to invite all Albertans to join me in celebrating Seniors' Week 2007 from June 4 to June 10. This special week is an opportunity to recognize our parents, grandparents, and older friends and neighbours for the difference that they make in our lives every day. One of these special people is my mom, who continues to amaze me with her wisdom, humour, and thought-provoking questions. My life is much richer because of her. I know that this is the case for many Albertans who think of a senior in their life when asked to name someone who has helped them to be happier, healthier, and smarter. Many families benefit from having a grandparent to help with their kids or provide advice to a mom or dad when they're in need of it most.

Alberta's seniors have made enormous contributions to our province. Their hard work helped to build this province into the vibrant place it is today, and their involvement in our communities will continue to benefit Albertans of all ages for generations to come.

I'm proud to be the chair of the Seniors Advisory Council for Alberta, which leads the annual Seniors' Week celebrations. This year's Seniors' Week theme, Celebrate Seniors' Present and Future Contributions, recognizes that seniors are and will remain key to a strong and prosperous province. I encourage Albertans to participate in Seniors' Week events and to thank the seniors who have made

their lives better. A calendar of events being held across the province is available on the Seniors and Community Supports website.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Leduc-Beaumont-Devon.

### Nate Gartke

**Mr. Rogers:** Thank you, Mr. Speaker. It is my privilege and honour to acknowledge an outstanding young Alberta student from right here in the capital region who recently claimed second place in the 2007 Scripps National Spelling Bee in Washington, DC. Nate Gartke is a 13-year-old grade 8 student from Victoria School of Performing and Visual Arts, who lives in Spruce Grove. Nate out-spelled 284 out of 285 other participants from across Canada and the United States. He has truly demonstrated his tremendous aptitude when it comes to spelling. He advanced from regionally sponsored competitions in Canada to compete in the national competition in Washington, DC, as I mentioned before, winning second place on May 31.

This was Nate's first year participating in the Scripps National Spelling Bee, while many of his opponents were competing for their second, third, and even a fifth time, Mr. Speaker. Nate's preparation and training helped him outperform all but one of his opponents. After several hours of elimination rounds Nate was stumped by the word "coryza" in the 11th and 12th rounds. Please allow me to define that word for you. The word coryza is spelled c-o-r-y-z-a, and it is the swelling of the mucous membrane in the nose as caused by a cold.

Mr. Speaker, we can all take comfort in knowing that Alberta's education system is turning out wonderful students like Nate. This is highlighted by the fact that he is the second Alberta student in a row to place second in this prestigious competition. This young man is supported at all levels: by his school, his community, and his loving family. It's no surprise that Nate's parents, both of whom are educators, have raised a competitive, intelligent, and humble young man.

**The Speaker:** Well, all 82 members got that one right, didn't they? So I've got a test for you, hon. member. Honour: is it h-o-n-o-r or h-o-n-o-u-r?

We'll move on now to the hon. Member for Edmonton-Mill Woods.

### Family and Community Support Services Association

**Mrs. Mather:** Thank you, Mr. Speaker. Today I recognize an organization that's been on the Alberta scene for 40 years and has made a significant contribution. The Family and Community Support Services Association was crucial in shifting us from a palliative to a preventative approach to social services. It has been an advocate of decision-making at the level that issues impact. As specialties increase, FCSS remains committed to volunteerism as an opportunity to involve the community.

In Hebrew thought 40 years represents completion of a cycle. There were 40 days of testing in the wilderness, the 40 days and nights of the flood, and for 40 years the escaped slaves wandered as nomads. Each of these marks a transition: the end of one state and the beginning of a new one.

Alberta has changed significantly in 40 years. New citizens coming here do not have the type of in-house networks to turn to, in child care for instance, that earlier Albertans did. They have brought new networks, new challenges, new opportunities. Human need has not gone away. It has taken new and acute forms.

I say that our most important task is reframing how we look at human need. We have to recognize that those who look to us for help offer us ways to affirm our humanity in serving theirs. What results is mutual sharing, not a division into donors and receivers. This cannot be funded in the old way of having agencies coming to government begging us as in the moving *Oliver!* with a plaintive, "Please, sir, may I have some more?"

It's time to give the fifth sector resources to meet challenges proactively. It's time for a mentality of investment rather than bottom line. It's time to index budgets to rising costs. It's time to take the truth that we are our brothers' and sisters' keepers as a baseline and go beyond to recognize that in community when one suffers, all suffer, and as one benefits, all do. FCSS is an important part in bringing us to that awareness.

### Alberta Water Quality Awareness Day

**Dr. Brown:** Mr. Speaker, today is Alberta Water Quality Awareness Day. This is a province-wide program initiated by the Alberta Lake Management Society to increase awareness of watershed health and water quality through hands-on water testing. It is modelled after the World Water Monitoring Day that was created in 2002 to connect people personally with efforts to preserve their local water sources.

The test covers four basic measures for water quality, including temperature, dissolved oxygen, pH, and turbidity. Through this successful program participants are provided with free water quality test kits and are able to learn about water quality and to gather information on local waterways. They can then contribute their findings to the online database and watershed map. Participation in the test helps Albertans to gain an understanding of the health of their watersheds, to provide input into a province-wide snapshot of water quality, and to become involved in watersheds at a local level. The program improves public knowledge and appreciation that will in turn help lead to effective management.

Mr. Speaker, every year our population grows, and along with it comes increasing demands on our province's waters. Albertans recognize that water is our greatest resource and are determined to ensure that abundant, high-quality water will be ours to enjoy now and in the future.

**The Speaker:** The hon. leader of the third party.

### Royalty Review

**Mr. Mason:** Thank you very much, Mr. Speaker. The results of the Royalty Review Panel will be a clear demonstration of whose side this government is on, and it looks like it's not the side of working and middle-class Albertans. At a time when energy companies are reporting record profits, the Minister of Finance has undermined the review, telling Albertans to lower their expectations. The minister is rightly concerned about the political fallout the Conservatives risk by once again putting the energy companies' interests first.

There's a direct link between our overheated economy, record oil profits, and the economic and social pressures facing working Albertans. The strong Canadian dollar, fuelled largely by energy exports to the U.S., means that the government spending for Albertans does not go as far as it used to. So, too, the energy-fuelled boom is quickly making many Albertans go bust as they face rising rents and a lack of affordable housing. Rather than raising royalties to offset these pressures on Albertans, the government is getting ready to protect already record-setting oil profits.

It doesn't take a genius to figure out why the Conservatives are so eager to keep the status quo on royalties. Just follow the money.

The Conservative Party and its leadership contestants have long been supported by energy companies. For example, EnCana, which posted a record-breaking profit of \$6.5 billion in 2006, shared over \$10,000 of that wealth with the PC Party and donated between \$1,000 and \$5,000 to the Premier's leadership campaign. The list goes on with a who's who of big energy companies who donate hundreds of thousands of dollars to the Conservative Party every year, and the list is not that much different on the Liberal side of the House.

While places like Alaska and Norway have captured significant value from their energy resources, the Conservatives have squandered our opportunity with low royalty rates. The price of oil has tripled since the current royalty regime was put in place. Texans are getting 25 per cent on royalties while Albertans get only 1 cent on the dollar for many projects.

head: **1:20 Presenting Reports by Standing and Special Committees**

**The Speaker:** The hon. Member for Calgary-Bow.

**Ms DeLong:** Thank you very much, Mr. Speaker. The Standing Committee on Private Bills has had a certain bill under consideration and wishes to report as follows. The committee recommends that the following private bill proceed with amendments: Bill Pr. 1, CyberPol – The Global Centre for Securing Cyberspace Act. As part of this report I will be tabling five copies of the proposed amendments. I request the concurrence of the Assembly in this recommendation.

**The Speaker:** Would all hon. members in favour of the report please say aye.

**Hon. Members:** Aye.

**The Speaker:** Those opposed, please say no. It's carried.

head: **Presenting Petitions**

**The Speaker:** The hon. Member for Edmonton-McClung.

**Mr. Elsalhy:** Thank you, Mr. Speaker. I'm continuing with the tabling of petitions today. I am submitting 231 signatures, and the petition reads:

We, the undersigned residents . . . hereby petition the Legislative Assembly to urge the Government to:

1. Ensure that the remuneration paid to employees working with people with disabilities is standardized across the sector, regardless of whether these workers are employed by government or by community-based or private providers;
2. Ensure these employees are fairly compensated and that their wages remain competitive . . .
3. Improve employees' access to professional development opportunities (training and upgrading); and
4. Introduce province-wide service and outcomes-focused level-of-care standards.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Decore.

**Mr. Bonko:** Thank you, Mr. Speaker. I have 162 signatures on a petition that reads:

We, the undersigned residents of Alberta, hereby petition the Legislative Assembly to urge the Government of Alberta to take immediate, meaningful measures to help low-income, fixed-income

Albertans, Albertans with disabilities and those . . . hard-to-house maintain their places of residence and cope with the escalating and frequent increases in their monthly rental costs.

head: **Tabling Returns and Reports**

**The Speaker:** The hon. Member for Edmonton-Mill Creek.

**Mr. Zwozdesky:** Thank you very much, Mr. Speaker. I rise today to table the appropriate number of copies of the Alberta Health Facilities Review Committee annual report for 2005-06. As members here would know, I'm privileged to chair this particular committee at this time. It's a committee that monitors care and promotes high standards for patients in Alberta's health care facilities. In my final sentence I'd just like to say thank you to the hon. Member for Cypress-Medicine Hat, who was the chair and steward of the committee at this time, '05-06.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thank you very much, Mr. Speaker. I'd like to table five copies of correspondence from a constituent, Brandi Roach, who's very concerned about the uncontrolled growth of Alberta's economy and notes that "the so-called 'price of prosperity' is not distributed equally and income levels simply cannot keep up with the rising cost of living." She's seeing that current circumstances are benefiting a very small, select group of people.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Thank you very much, Mr. Speaker. I have two tablings today as chairperson of the Standing Committee on Public Accounts. The first is a letter dated May 28, 2007, to Dr. David Marshall, president of Mount Royal College, requesting confirmation to attend the Public Accounts Committee on Tuesday, October 16, 2007, from 1 to 3 p.m.

The second letter I have is also dated May 28, 2007, and this is to Dr. Harvey Weingarten, president and vice-chancellor, University of Calgary. This is requesting confirmation to attend the Public Accounts Committee here on Wednesday, October 17, 2007, from 1 to 3 p.m.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Mill Woods.

**Mrs. Mather:** Thank you, Mr. Speaker. I have a letter from Herman Ansink, a constituent, who is writing to support antismoking legislation.

**The Speaker:** The hon. Member for Edmonton-Manning.

**Mr. Backs:** Thank you, Mr. Speaker. I have two sets of tablings today. One is the program for the Northern Alberta Brain Injury kick-off breakfast and kick-off for Brain Injury Awareness Week, which I attended on Friday morning. Ed Hervey of our Edmonton Eskimos gave quite a moving speech at that particular event.

The other tabling is a program for the 75th birthday party of Father Bernie Gilliece of St. Dominic's Catholic parish in Edmonton-Manning. Four hundred tickets were sold, Mr. Speaker. Archbishop Emeritus MacNeil and many other honoured guests travelled from near and far. I told a bad joke, and a good time was had by all.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Speaker. Today I am tabling eight letters from Albertans who are concerned about the government's handling of the teachers' unfunded pension liability. They're disappointed that the government won't sit down and negotiate. There are Dawn Duffy, Henri Chauvet, Tanya Oppedisano, Anita Kilpatrick, Helen Ford, Patrick Duffy, Lee Boylan, and Paul Sevigny.

Thank you.

**The Speaker:** The hon. Member for Edmonton-McClung.

**Mr. Elsalhy:** Thank you very much, Mr. Speaker. I am tabling five copies of the Edmonton Symphony Orchestra's May-June 2007 *Signature* magazine. The magazine was given to me on Saturday, May 26, at the Winspear, when I attended the salute to the troops, an afternoon with the Canadian Brass. It was a wonderful event.

Thank you.

**The Speaker:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Well, thank you, Mr. Speaker. I have six tablings today. The first set contains correspondence from the summer village of Norris Beach, the village of Longview, the city of St. Albert, and the municipal district of Lesser Slave River, indicating their top three infrastructure priorities and transportation. Like so many other Alberta municipalities funding for water treatment is their common concern.

My second set of tablings involves the municipality of Jasper, the town of Taber, and the village of Sangudo, which I described in great detail during the Infrastructure budget debate. Again, the common concern is provincial funding for waste-water management.

My third tabling is an e-mail from Fred Jack of Swan Hills, who notes:

I think it's great the Alberta government is looking at affordable housing. However, I think it must look at this concept wider and not just [look at] the lowest 10 per cent of income earners, and people who need an expensive housing and shelter.

My fourth tabling comes from Kathy L. Belton, who has an M.Ed. degree, who is the director of the Alberta Centre for Injury Control & Research at the University of Alberta. This tabling is a position paper on demerit points to increase compliance for occupant restraint. Kathy notes that "research suggests an [Alberta] savings of 478 million could be realized by increasing the usage of seat belts by motor vehicle occupants."

My fifth tabling is a series of essays from students James Michael Rinehart, Carrie Jance, Cameron Tompkins, and Andrew Osborne in support of my Motion 510, to lower the voting age to 16.

My sixth and final tabling, a letter, comes from a teacher in my constituency in support of my Motion 510 on lowering the voting age to 16 and my second, Motion 511, which calls for the establishment of a unified family court.

Thank you, Mr. Speaker.

head: **Tablings to the Clerk**

**The Clerk:** I wish to advise the House that the following documents were deposited with the office of the Clerk. On behalf of the Minister of Health and Wellness, pursuant to the Health Professions Act, the College of Licensed Practical Nurses of Alberta 2006 annual report, the College of Registered Dental Hygienists of Alberta 2006 annual report.

On behalf of the Minister of Advanced Education and Technology, pursuant to the Alberta Heritage Foundation for Science and Engineering Research Act, the Alberta ingenuity fund annual report 2003-2004, the Alberta ingenuity fund tri-annual report 2000-2003.

On behalf of the Minister of Infrastructure and Transportation responses to questions raised by the hon. Member for Calgary-Varsity on May 15, 2007, Department of Infrastructure and Transportation 2007-2008 main estimates debate.

On behalf of the Minister of Education responses to questions raised by the hon. Member for Edmonton-Manning on May 16, 2007, Department of Education 2007-2008 main estimates.

Responses to questions raised by the hon. Member for Edmonton-Beverly-Clareview on May 29, 2007, Department of Education 2007-2008 main estimates debate.

**The Speaker:** Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**  
(continued)

**The Speaker:** The hon. Leader of the Official Opposition.

**Dr. Taft:** Thank you so much, Mr. Speaker. I'm very pleased to introduce a group under the leadership of Mrs. Andrea Cooper. They are students from Belgravia elementary school, which is a fine school. I am a graduate of that school as is the Member for Edmonton-Centre. The group here includes 33 people in total, and the parent helpers coming along are Gwen Berdan and Yvette Maskell. I'd ask them to please rise – I believe they're in the members' gallery – and I'd ask all MLAs to give them a warm welcome.

Thank you very much.

1:30

**The Speaker:** The hon. Member for Cypress-Medicine Hat.

**Mr. Mitzel:** Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to members of this House guests from the Sun Country Christian school in Bow Island. They are accompanied by teachers Mrs. Christine Barkman\*, Mr. Terry Barkman; their group leader, Mr. Kelly Reimer; and parent helpers Mrs. Wendy Reimer, Mr. and Mrs. Weldon and Brenda Reimer, Mr. and Mrs. Brian and Laura Thiessen\*, and Mrs. Laura Isaac\*. I would ask them to please rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**

**The Speaker:** First Official Opposition main question. The hon. Leader of the Official Opposition.

#### Contribution to Premier's Leadership Campaign

**Dr. Taft:** Thank you, Mr. Speaker. The Premier's campaign team sought a donation that the Premier now admits was unethical. He claims not to have known about it and is blaming another fundraising misstep, another stumble, on volunteers. Well, we'll be looking for some accountability. Section 602.34 of the Municipal Government Act requires commissions to prepare a financial information return on their financial affairs for the year and to submit this along with audited financial statements to the Minister of Municipal Affairs and Housing. My question is to that minister. Can the minister confirm whether this donation, a \$10,000 expenditure that

has nothing to do with its provincial mandate, was reported in these documents?

**Mr. Danyluk:** Mr. Speaker, at this time I cannot, but I will definitely find the information and bring it to this House.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you very much, Mr. Speaker. I look forward to that.

The minutes of the commission reveal that the chief administrative officer recommended to the board of the commission that they donate \$25,000 to the Premier's leadership campaign. The largest donations disclosed by the Premier were between \$10,000 and \$15,000, but the CAO recommended \$25,000. I hope the minister will agree that political allegiances should not come into the CAO's recommendations. To the minister: will the minister admit that this recommendation for a political donation from the chief administrative officer of this commission was improper?

**Mr. Snelgrove:** Mr. Speaker, what would be obvious from the presentation there is that that administrator knows what a disaster for Alberta a Liberal government would be. Obviously, in a leadership campaign there are literally hundreds of volunteers working across all of the many leadership candidates. They are involved in all the aspects: some fundraising, some doing mail-outs. It's a very busy time. At the end of the leadership campaign the Premier's campaign team sat down and reviewed all contributions to find out if there were any that were made improperly, and they were returned.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. This commission in question has ambitious expansion plans and is in fact seeking reapproval of its licence from this government even as we speak, yet this donation clearly demonstrates that the commission is operating outside of its provincial mandate, which has nothing to do with political donations, spending money on helping the Premier win the leadership race rather than on waste management services for its shareholders. To the Minister of Municipal Affairs and Housing. Section 602.35 of the Municipal Government Act enables the minister to call for an inspection of a commission. Will this minister initiate a full inspection of this commission, and will he do it before its licence is renewed?

**Mr. Danyluk:** Mr. Speaker, it is indeed in the authority of municipal affairs to be able to call an inspection on municipalities, also on commissions. As I answered in the first question, I am going to find out whether there was any donation made, what exactly did happen, and I will report.

**The Speaker:** Second Official Opposition question. The hon. Leader of the Official Opposition.

#### Economic Strategy

**Dr. Taft:** Well, thank you, Mr. Speaker. Only a PC government in power for 36 consecutive years without any real vision for the future would start lowering expectations. Yesterday the Minister of Education spoke about the Tory government hitting a financial wall. He said, and I quote: Do the math. The big days of budgetary surpluses are behind us. End quote. My question is to the President of the Treasury Board. Doesn't this just confirm what so many

\*These spellings could not be verified at the time of publication.

people are now saying, that this Conservative government has failed – has completely failed – to manage Alberta's wealth?

**Mr. Snelgrove:** Mr. Speaker, I'm not sure how prudent financial planning, having a sustainability fund and having a capital fund and budgeting for cost overruns and balancing our budgets and paying off our debt and creating huge surpluses for Alberta, is a bad plan. We on this side of the House, quite frankly, think that spending money like it's supposed to be spent – carefully planning, saving, reinvesting – is all part of a great plan that's contributed to 36 years of very good government.

**Dr. Taft:** Well, thank you. You know, Mr. Speaker, this Tory government has received nearly \$220 billion in oil and gas revenues since it was first elected if you adjust for inflation. As we know – and the Treasury president is confirming that – they've spent it as if there was no tomorrow. Well, tomorrow is arriving. The Education minister is voicing concerns about this government's ability to continue providing something as basic as elementary schools. My question is to the President of the Treasury Board. When will this government deliver a serious long-term plan that ensures a sustainable financial future for this province?

**Mr. Snelgrove:** Mr. Speaker, while financial planning is critically important to any government, this party, this government also understands about the tremendous human aspect that a budget needs to include. That's why we spend more on health care than any other province. That's why we spend nearly \$6 billion on education. That's why we spend billions on advanced education. We're continuing to work and to spread our economy to increase the revenue streams because it's not all about money. This province was built by hard work. They expect good money management, but they also don't want us to turn our backs on the rest of Canada as the Liberals would like to do by somehow inferring that all of the revenue should come to Alberta.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. Well, my question will be to the same minister. This government has, as I said, taken in about \$220 billion in nonrenewable resource revenue since it was first elected, an unbelievable amount. Yet even though it is spending more per capita than any other province, which the Treasury president is so proud of, it can't even deliver basics like roads and schools. To the President of the Treasury Board: can this minister explain how it is that his government is spending so much but can't even deliver basics like schools?

**Mr. Snelgrove:** I honestly don't know where the hon. Leader of the Opposition lives. I think we have 76 schools under construction right now, 76. We have population that's growing out. Certainly, Mr. Speaker, in a population of students that hasn't grown, the increase in spending in education has been enormous, the highest funding education system in Canada. But when the people move away from the schools, it's really difficult to take their schools with them. We are in the middle of working with other ways, alternative financing and bundling, to put schools in the high-growth areas of the bigger cities, and we're able to do that because we have been prudent money managers.

**The Speaker:** Third Official Opposition main question. The hon. Member for Calgary-Currie.

1:40

### Western Irrigation District

**Mr. Taylor:** Thank you, Mr. Speaker. It appears that the government of Alberta is now turning to the Western irrigation district for water for the Balzac project. For information purposes, this memorandum of understanding between the WID and the MD of Rocky View would be about plan D for a water supply. Now, an irrigation district's mandate is clearly for irrigation purposes. According to the district's 2006 annual report, the WID is part of the Alberta Crown and is listed as a tax-exempt government of Alberta agency. To the Minister of Agriculture and Food: can the minister deny now that this government has made a secret deal to supply water for a horse-racing track? The Western irrigation district is, after all, under provincial control.

**Mr. Groeneveld:** No secret deal, Mr. Speaker.

**Mr. Taylor:** Mr. Speaker, the Irrigation Districts Act says that if an irrigation district wants to transfer part of its water licence, it has to hold a plebiscite and can only make the application for a transfer of the allocation if more than 50 per cent of the irrigators vote in favour. Of course, as usual with the Conservatives, there's a way out of that one. The minister can overrule the plebiscite requirement if the board establishes that there's no risk to water supply. It would be quite interesting to see the minister make the argument that providing the badly needed water for irrigation to a horse track, casino, and megamall is somehow in the public interest. To the same minister: will the minister make a commitment right now that he will allow the plebiscite to take place and that he will abide by the wishes of the irrigators in the municipalities serviced by the WID?

**Mr. Groeneveld:** Well, that's a great question, Mr. Speaker. I wonder why he asked the first one if he knew that one. It's a little strange to me. I certainly will encourage the WID to hold its public meeting. They've indicated that they're going to do so. Why would we have a problem with them holding a public meeting to see what the irrigators feel about the whole project? The WID makes a strong argument that the transfer of water will be taken out of the efficiencies they have gained throughout the system.

**Mr. Taylor:** Well, Mr. Speaker, that was, I guess, an answer to part 1 of my excellent question or however he described it. But part 2 went like this: will the minister make a commitment right now to abide by the wishes of the irrigators in the municipalities serviced by the WID and not use section 11(6) to avoid asking the people what they want?

**Mr. Snelgrove:** It's amazing. He asks a question that is unanswerable, he puts an answer in that isn't real, and then he bases his supplementary question on his answer that he provided to a question that doesn't apply if there's no deal. You know, it's amazing. I don't know why they call it question period, because he's got all the answers, and he doesn't even understand the question.

**The Speaker:** The hon. leader of the third party.

### Strength of Canadian Dollar

**Mr. Mason:** Thank you very much, Mr. Speaker. There are some very serious issues facing the people of this province, and I'd like to deal with one. The Minister of Education has claimed that the higher Canadian dollar means that the days of large budget surpluses are behind us. He goes on to say that Alberta may soon hit a revenue wall and tells school boards across Alberta to think about

the hard facts of the funding they're likely to receive. My question is to the Minister of Finance. Is it the position of the government that the higher dollar means that Albertans need to lower their already modest expectations, or is his colleague the Education minister simply engaging in some clumsy negotiations with Alberta teachers through the media?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Well, thank you very much, Mr. Speaker. As the hon. member, I'm sure, knows, for every one-cent increase in the Canadian dollar it actually costs Alberta taxpayers roughly \$123 million. In our budget the Canadian dollar is set at 86 cents. In February of this year the Canadian dollar was 84 cents. Many of us said that perhaps 86 cents was even a little bit too high. Well, in reality what has occurred is that we've seen a 10-cent increase in the Canadian dollar in the last four months, with it supposedly going up to eventually being at par by the end of the year. It's what the experts are saying. This does have ramifications for our budget and, indeed, potentially could be as high as one and a half billion dollars.

**The Speaker:** The hon. leader.

**Mr. Mason:** Thank you very much, Mr. Speaker. Then I ask the Minister of Finance why, given that most economists believe that the increased export value of oil from this province to the United States is a major cause for the rise of the Alberta dollar, this government didn't see it coming, why they set the estimate in the budget at an 86-cent dollar when they should have known that the Canadian dollar was going north at a real high rate precisely because of Alberta's export of oil to the United States?

**Dr. Oberg:** Mr. Speaker, many of us would like to think it is an Alberta dollar, but it's actually a Canadian dollar. Despite what the socialist economists actually look at, one of the real reasons why we're seeing the strength of the Canadian dollar is not necessarily the strength of the dollar, but it's the falling of the U.S. dollar which in relative terms puts our dollar up. This is a multifaceted issue. It is not – and I respectfully say it is not – purely because of Alberta's exports. As a matter of fact, we've had higher exports at higher prices, and we have not seen the Canadian dollar act this way in the past.

**Mr. Mason:** I'm surprised to learn that we actually have had higher prices for our oil than in the recent period.

Mr. Speaker, I want to ask the minister if he doesn't think that it's high time to quit messing around with a phony task force that's looking at royalties and just raise royalties so that Albertans get a reasonable return on the resources which they own. Why don't you do it, Mr. Minister? Raise royalties now.

**Dr. Oberg:** Mr. Speaker, what we have committed to and what this Premier has committed to is looking at the royalties from a very holistic point of view. We appointed six very good, very dedicated, and very intelligent people to take a look at the royalty system in Alberta. What we must remember in Alberta is that there is not simply one royalty. There are very close to 50 to 100 different royalty patterns that are out there, depending on the type of well, depending on the type of research. The Royalty Review Panel has been charged with looking at all of them. They've been charged with taking a look at what is fair share for Albertans versus what will keep the economic activity in Alberta going, and that's what they're going do.

**The Speaker:** The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Ellerslie.

### Support for Seniors

**Mrs. Jablonski:** Thank you, Mr. Speaker. This week is Seniors' Week, our chance to celebrate older Albertans who contribute so much to our communities. Our seniors worked hard to create the strong and prosperous province we all enjoy today. For some the very prosperity they created seems to have come with an unwelcome price. With the province's cost of living at an all-time high some seniors are finding it difficult to make ends meet. My question today is to the Minister of Seniors and Community Supports. What is the government doing to help seniors deal with rising living costs?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. I would like to first express my appreciation to the many seniors in this province. We are very fortunate to have a tremendous heritage. We've been richly blessed with a number of seniors that have built this province, and I would like to say that we have one of the most comprehensive packages of anywhere in this country. Over \$2 billion are actually provided for program services in one form or another to support the seniors in this province.

**The Speaker:** The hon. member.

**Mrs. Jablonski:** Thank you, Mr. Speaker. One of the biggest concerns that I've heard from seniors in my constituency is that they have a safe place to live. My second question is to the same minister. What is the government doing to ensure that seniors have a safe place to live in the communities that they helped to build?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. I'd first like to clarify, in case there was any misunderstanding, that over \$2 billion are provided in various supports by this government. They go from Alberta seniors' benefit, the special-needs assistance, dental and optical. But with respect to helping them stay in place, the first priority is to let and to help seniors live in place. About two-thirds, 67 per cent, of seniors own their own home. It's in response to that that we've had the education property tax relief for those for the rising cost of property taxes. It's our home care policies that help them facilitate being able to stay in their home. That is our first and ongoing priority. Secondly, we look to: how can we help them stay within their own community? As their health and those things deteriorate, we . . .

**The Speaker:** The hon. member.

**Mrs. Jablonski:** Thank you. My last question to the same minister: what is the minister doing to prepare the province to meet the needs of a growing seniors population?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. The seniors demographics: not just in this province, clearly in this continent there is a growing population of seniors. One of the mandates from the Premier is the demographic planning commission, and we are consulting and working with seniors on how we plan for the next generation coming

up, the growing numbers of people that will be seniors. It's with the groups like the Seniors Advisory Council, that's chaired by the Member for Whitecourt-Ste. Anne, that we do make sure we're getting out and speaking with seniors, consulting around the province to ensure that the programs are in place and designed specifically for the future needs as well. That will be part of the ongoing things we'll do with the demographic planning commission.

**The Speaker:** The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Drayton Valley-Calmar.

1:50

### Police Services

**Mr. Agnihotri:** Thank you, Mr. Speaker. In my constituency the biggest concern that we have is serious crime. My constituents are extremely concerned about the number of shootings, acts of violence, and they demand answers. Our police service is scrambling to keep up with the increase in violent crime with the same number of officers that they had years ago and with the same level of funding. To the Solicitor General and Minister of Public Security. The city of Edmonton is spending \$220 million this year for police. The provincial government is providing \$11 million, or only 4.9 per cent. That's it. Can this minister explain how this level of funding is enough to fulfill this government's responsibility to provide safe communities?

**The Speaker:** The hon. minister.

**Mr. Lindsay:** Well, thank you, Mr. Speaker. The hon. member is correct in that our funding level for municipalities remains at \$16 per capita. It has increased over last year because, as we all know, the population is increasing. However, I also want to let the hon. member know that Alberta is the only jurisdiction in Canada that returns fine revenues to the municipalities. This year that number is over \$99 million.

**Mr. Agnihotri:** To the same minister. In order to deal with the issue of quicker response times, the Edmonton Police Service has added a fifth division to Edmonton, instead of the usual four. What this means is that many beat officers, community policing officers, and street teams dedicated to fighting specific areas such as organized crime, gangs, are being disbanded to service the five districts. The EPS is being forced to make some very difficult choices. The Police Act states that the minister is responsible for ensuring adequate and effective policing in Alberta. This is not happening.

**The Speaker:** The hon. minister. [interjections] The hon. minister has the floor.

**Mr. Lindsay:** Thank you, Mr. Speaker. I didn't catch a question there, but I will comment that community policing is seen by the police of the Edmonton Police Service as an excellent way to get a pulse on its community, and I support those initiatives. They've decided to go from four regional police stations to five, and I believe that that's a great move.

**The Speaker:** The hon. member.

**Mr. Agnihotri:** Thank you, Mr. Speaker. To the same minister. I have asked questions on behalf of my constituents before, and the answers have not been adequate. Everything is not all right in my community. Our children are not safe. It's the responsibility of this minister to provide safe and secure communities. People should not

be afraid to walk the streets, but they are. This government has underfunded the police for years, has failed to provide them with the resources they need, has failed to address the serious crime in our cities. Can the minister tell my constituents why he is not doing more to assist our police to maintain safe communities?

**The Speaker:** The hon. minister.

**Mr. Lindsay:** Well, thank you, Mr. Speaker. Again, in regard to community safety it's interesting that the majority of Albertans, including Edmontonians, feel very safe and secure in their communities. That being said, there's certainly more we can do, and there's more that we are doing. We are taking all kinds of initiatives to ensure that policing agencies work together in a more effective and efficient manner. We will continue to do that and to ensure that our communities do remain safe.

**The Speaker:** The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Mill Woods.

### Strength of Canadian Dollar

(continued)

**Rev. Abbott:** Well, thank you, Mr. Speaker. Earlier today in question period the leader of the third party talked about the increasing value of the Canadian dollar compared to the U.S. dollar. He seemed to allude to the fact that he thinks it's because of Alberta's oil exports to the U.S. that our dollar is going up. Maybe his researchers should have told him that back in 2003 our dollar was 63 cents, and we exported just as much oil then as we do today. At any rate, this scenario may be good for Canadians who are travelling to the U.S., but Alberta's primary market for goods is the U.S., and a lot of our province's revenue is based on resources sold in U.S. dollars. To the Minister of Finance: have you done any revisions to the provincial budget to take into account this increased dollar?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Speaker. We have not done any revisions to this point in time. We will however be doing revisions when the first quarter comes out. The first quarter will be done the end of June, and we will be making those revisions. We automatically make revisions on the price of oil, the price of gas, the price of the dollar, potential interest rate changes. The whole economic picture is taken another look at four times a year, with the first quarter coming out towards the end September. So the answer is definitely yes. We will be looking at these prices, and it will change our revenue forecast.

**The Speaker:** The hon. member.

**Rev. Abbott:** Well, thank you, Mr. Speaker. The opposition seems to be calling question, question, and they don't realize that the private members on the government side also have 45 seconds to do our preamble before we ask questions of the other side. So, yes, we do have 45 seconds.

To the same minister: based on today's rising dollar, how much will the budget have to change as the Canadian dollar continues to go up? In other words, should we be expecting program cuts, Mr. Minister?

**Dr. Oberg:** Mr. Speaker, as I alluded to in an answer to an earlier question, for every 1 cent increase in the price of the Canadian



dollar, we tend to lose \$123 million annualized over the year. So what this generally means is that potentially if it's 10 cents, if it does indeed go up 10 cents as it has now, if it stays over the year, we're looking at about \$1.2 billion that could be a difference. I will remind the Assembly, though, according to what the hon. member said, at \$60 U.S. a barrel and a 65-cent dollar we receive \$92.30 Canadian. At \$60 a barrel and 94-cent dollar we receive \$63.82.

**The Speaker:** The hon. member.

**Rev. Abbott:** Well, thank you, Mr. Speaker. I will remind the opposition that *Beauchesne* 333 and 334 talk about keeping heckling to a minimum during question period.

Anyhow, to the same minister: should Albertans expect a tax increase to make up for this shortfall? In other words, how are we going to absorb this huge impact in our budget?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Thank you, Mr. Speaker. Thanks to the excellent planning that this government has done, we have \$7.7 billion sitting in a sustainability fund, which is used to cushion those temporary cycles. Whether or not this is a temporary cycle is very difficult to say, but if indeed it does stay up there, if indeed the dollar does hit par and stay at par, we will have to take that into consideration in future years. But due to the excellent, excellent planning of this and previous governments, we have \$7.7 billion sitting there to ensure that these temporary cycles do not change our budgeting process.

**The Speaker:** Did I understand the hon. Member for Drayton Valley-Calmar correctly that he was quoting from "the good book"?

**Rev. Abbott:** Yes.

**The Speaker:** The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Fort.

#### Foster Care System

**Mrs. Mather:** Thank you, Mr. Speaker. When children are placed in foster families, it is done with the understanding that they need special attention and care. Without careful intervention at-risk children can slip through the cracks and may experience an entire lifetime of hardship. This is why reports of a foster parent shortage in this province demand the immediate attention of this government. The number of foster parents in this province has declined consistently over the last five years. In Edmonton alone last year the number declined by over 12 per cent. To the Minister of Children's Services: how many children are waiting today for a foster family?

**The Speaker:** The hon. minister.

**Ms Tarchuk:** Well, thank you, Mr. Speaker. First of all, I can tell you – and I know that we talked about this in the last couple of weeks, going through estimates – that we will be spending a large focus of this year on campaigns looking for more foster parents. We know that if we can find more foster parents, we'll be able to better match the needs of the children with the capabilities of parents.

**The Speaker:** The hon. member.

**Mrs. Mather:** Thank you, Mr. Speaker. When foster families are unavailable, children are often placed in hotels. This means that

they do not have access to the special attention, care, or even sense of normalcy that they need to grow. Even more shocking, many of the approved facilities used by the Department of Children's Services are in areas noted for crime, drug use, and prostitution. This is clearly not the best environment for at-risk children. To the Minister of Children's Services: do you agree that the placement of children in need of foster care in hotels is an unacceptable course of action?

2:00

**The Speaker:** The hon. minister.

**Ms Tarchuk:** Thank you, Mr. Speaker. First of all, I want to say – and I know that I've mentioned this to the hon. member before – talking about the number of foster parents we have in this province, that we have a ratio in Alberta of 1.9 foster children per foster home, and that is lower than most other provinces in the country. With respect to hotel use – and I know that this has been raised as well in this House – it is a very rare occasion. It's exceptionally uncommon. Within the past year it has happened a few times only in extenuating circumstances, and we do provide one-on-one supervision for children by support workers when that does happen.

**Mrs. Mather:** Small efforts like the minister's long overdue public foster parent promotion campaign will not be effective unless the larger systemic problems are addressed. A lack of support for foster families is a major problem. Less than one year ago this ministry shelved new workload standards for social workers, yet agency staff, youth workers, and addiction counsellors report 15 per cent vacancy rates and high turnover rates. To the Minister of Children's Services: when will your department do something to meaningfully address the crisis in foster care in this province?

**The Speaker:** The hon. minister.

**Ms Tarchuk:** Thank you, Mr. Speaker. I can tell you that just last week I met with the Foster Parent Association. We had a great discussion. They actually are very pleased about this year's budget and the additional \$7 million that we put into foster care. As well, they're very excited to move forward on I think it's \$650,000 that we're putting towards raising awareness and a campaign to get more foster parents. I can commit to the House that I will continue to work very closely with the foster community and our foster association.

**The Speaker:** The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-McClung.

#### Property Tax Increases

**Mr. Cao:** Well, thank you, Mr. Speaker. Last week the property owners in Calgary received their city tax bills. The large increase in our city property tax will hurt and worry constituents. The increase in property tax also pushes up the cost of housing rent and also the cost of running businesses. So my question today is to the hon. Minister of Municipal Affairs and Housing. Can the minister tell our constituents what the process is for the city tax increases and who is responsible for those increases?

**The Speaker:** The hon. minister.

**Mr. Danyluk:** Well, thank you very much, Mr. Speaker. Municipalities are responsible for municipal taxes, and those municipal taxes could increase or decrease depending on the services that are

required, maybe the cost pressures on infrastructure or just related to the cost pressures for municipalities. I want to say that some individuals may receive an increase, and some may receive a decrease due to the increased city assessment. Therefore, because of value added their costs could go down.

**The Speaker:** The hon. member.

**Mr. Cao:** Well, thank you. To the same minister: given that our Premier created the housing portfolio under your wing, and following the process you just explained, what measure can you or are you taking to alleviate the property tax increase?

**The Speaker:** The hon. minister.

**Mr. Danyluk:** Thank you very much, Mr. Speaker. This government supports municipalities directly through municipal affairs, and some of the services provided they support with the \$773 million, the \$600 million a year through the municipal infrastructure program, this year \$400 million through the municipal sustainability initiative. We do have a commitment to municipalities, and I want to say unprecedented in Alberta history, of \$1.4 billion to support municipalities after 2010.

**The Speaker:** The hon. member.

**Mr. Cao:** Thank you. My question is now to the Minister of Seniors and Community Supports. Any upward move in property tax no doubt increases the cost of living and maintaining households, particularly for Albertans on fixed low incomes, such as seniors and Albertans with disabilities. Hon. minister, what measure can you or are you taking to help those individuals?

**The Speaker:** The hon. minister.

**Mr. Melchin:** Thank you, Mr. Speaker. The rising cost of living, property taxes, all taxes clearly become a burden for those on fixed incomes. That's why in 2004 the province acted to cap at those levels the rate of education property tax increases: so that seniors do not pay any more than what they paid in 2004 or, if they purchased their home at a later date, that level of education property tax. One interesting development that the city of Edmonton, actually, is working on through our Alberta seniors' benefits program: they're rebating a portion of their taxes, \$63. That is working in conjunction with our department through the Alberta seniors' benefits program.

**The Speaker:** The hon. Member for Edmonton-McClung, followed by the hon. Member for Edmonton-Strathcona.

#### Lottery Retailer Practices

**Mr. Elsalhy:** Thank you, Mr. Speaker. Yesterday in question period the Solicitor General said that he hadn't yet seen the results from the Western Canada Lottery Corporation's internal lottery retailer practices audit, but he told the House that everything seemed fine. To the minister: if you haven't seen the results from this initial review, how can you be so confident that everything is fine?

**The Speaker:** The hon. minister.

**Mr. Lindsay:** Thank you, Mr. Speaker. We have not seen anything in writing from the WCLC in regard to their initial investigation, but they did indicate that things were looking quite well in Alberta. We

have done some work internally ourselves, and indications are that the winnings, as I indicated yesterday, of retail owners in our province are at an average which is acceptable. However, based on the findings of other provinces, which I indicated yesterday, WCLC has asked Ernst & Young to continue.

**The Speaker:** The hon. member.

**Mr. Elsalhy:** Thank you, Mr. Speaker. The results that the minister is referring to were actually from a previous three-year study and not this one that we're talking about. Now, yesterday the minister told the House that the WCLC has decided to take a more in-depth review of Alberta's lottery systems. The minister didn't ask, and the WCLC did not voluntarily release the information. My question is: if all is on the up and up, according to the minister, why in fact did the WCLC commission Ernst & Young, as he just said, to investigate deeper at considerable cost to the taxpayers? It would make absolute sense that he would ask to see the results first, before a step like this is taken.

**Mr. Lindsay:** Mr. Speaker, all I can say is that to ensure that the integrity of the lottery industry in Alberta is where we want it to be, the WCLC has requested Ernst & Young to take a more in-depth look, and that's what they're doing. When those results are in, we will share them with Albertans.

**The Speaker:** The hon. member.

**Mr. Elsalhy:** Thank you, Mr. Speaker. Given the risks involved and the gravity of the allegations that retailer fraud may be as costly and as damaging in this province as it is in other Canadian jurisdictions, will the minister instruct the WCLC to follow the lead of B.C., Ontario, and the Atlantic provinces and make the review findings public? He doesn't seem to have any issue with this. Will he instruct them to put it on the website, as those jurisdictions do?

**Mr. Lindsay:** As I indicated, Mr. Speaker, when we get the results of the study, we will be making them public.

**The Speaker:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Cypress-Medicine Hat.

#### Child Care Funding

**Dr. Pannu:** Thank you, Mr. Speaker. A comprehensive child care strategy is an integral part of supporting families, promoting women's participation in the workforce, and developing a flexible and efficient labour force. As the Minister of Children's Services knows, the number of child care spaces in the province has dropped in the last decade despite an increasing demand for services. It's no coincidence that this drop followed this government's decision to terminate the operating grants program for child care facilities. When will the minister commit to restoring operating grants to child care centres?

**Ms Tarchuk:** Mr. Speaker, what I can tell you is that we are very serious about ensuring that we have access to affordable and quality child care. A lot of time and effort, based on consultation with the stakeholders in the province, has been spent on implementing all kinds of initiatives that will help us reach that objective, and I'm going to continue working with those stakeholders.

**The Speaker:** The hon. member.

**Dr. Pannu:** Thank you, Mr. Speaker. I'll try to get the minister's attention on the core issue of operating grants to centres again. Many not-for-profit child care facilities allocate as much as 85 per cent of their budgets to pay for salaries, yet it is not enough. Lack of core funding for child care creates a downward pressure on staff wages and leaves hard-working child care providers subsidizing the cost of our child care system. No wonder that this very important service sector is facing problems with recruitment and retention. To the minister: how can the minister expect to create enough new spaces to keep up with the demand when she won't provide operating grants to help existing facilities to remain open and to retain and recruit staff?

2:10

**The Speaker:** The hon. minister.

**Ms Tarchuk:** Thank you, Mr. Speaker. First of all, we believe in supporting the parents, and there are a number of ways in which we are doing that. We have just increased our subsidies for parents. We have just increased wage top-ups for staff. Talking with stakeholders, we know that the number one issue that we're talking about with child care and the only way that we can impact capacity in this province is to attract and retain staff. That's what the bulk of our initiatives are based on.

**Dr. Pannu:** Mr. Speaker, the minister's current consultation process – and we referred to this several times in this House over the last couple of weeks – is merely a tinkering at the edges and doesn't get to the core issue of child care in the province. Licensing protocols are important, but the real issue is funding. Why won't the minister admit that all Albertans benefit from having a high-quality child care system and establish stable operating grants to make it happen?

**Ms Tarchuk:** Mr. Speaker, our funding has increased dramatically in the last couple of years. In fact, I think it's doubled just over a period of a couple of years, and this year alone we've increased it another \$16 million.

**The Speaker:** The hon. Member for Cypress-Medicine Hat, followed by the hon. Member for Lethbridge-East.

### Forest Fires

**Mr. Mitzel:** Thank you, Mr. Speaker. Alberta's forest fire season blazed to life on the weekend when Albertans learned that a large wildfire had developed near Suncor Energy's oil sands plant near Fort McMurray, destroying thousands of hectares of forest. My question is to the Minister of Sustainable Resource Development. Can the minister please update the Assembly on the status of this massive forest fire and whether it poses any danger to nearby communities or oil sands developments?

**The Speaker:** The hon. minister.

**Dr. Morton:** Thank you, Mr. Speaker. My latest information is that the wildfire has grown to about 10,000 hectares and is not yet under control. We have 120 firefighters there who are working on this. We have confidence that they will get it under control. Their job has been complicated by the hot, dry weather, but the weather is expected to change, and we expect that the cooler weather and, possibly, some rain will help us bring it under control. The good news is that no community nor any oil sands infrastructure is threatened by this fire. In fact, it's actually moving in the other direction.

**Mr. Mitzel:** Mr. Speaker, my first supplemental question is also directed to the Minister of Sustainable Resource Development. Albertans are known for their generosity. In the last few weeks our province was gracious enough to lend more than 200 firefighters to Ontario and Quebec to battle blazes there. It was a gesture that I'm sure was certainly appreciated in those two provinces, but it begs the question: has that act of generosity depleted Alberta of crucial resources that could be fighting this massive fire in Fort McMurray?

**Dr. Morton:** Mr. Speaker, I'm happy to reply to that question. The answer is no. Our generous loan of our firefighters to Quebec and Ontario does not pose any risk to the province of Alberta. We have approximately 580 firefighters that are on call during the fire season, and we have a reserve, if you like, or a bench strength of another 2,000 that we can call upon. We did send 80 firefighters to Ontario on the May long weekend. They've all returned. The 120 that we sent to Quebec two weeks ago came back on Monday, and 40 of those have already been redeployed to the Fort McMurray fire. So I'd like to take this opportunity to thank all these young, hard-working Albertans for their good work.

**Mr. Mitzel:** Mr. Speaker, my final question is also to the Minister of Sustainable Resource Development. Albertans expect his ministry to be prepared to fight blazes like the one near Fort McMurray as well as others that can pop up at any time anywhere. Alberta is known for its drastic climate changes. Last year his ministry also helped when grasslands in southeast Alberta had major wildfires. Can he tell us what preparations his department makes to minimize the wildfire risk to all Albertans in all of Alberta and how they ensure that wildfires are responded to with maximum emergency?

**The Speaker:** The hon. minister.

**Dr. Morton:** Thank you, Mr. Speaker. I'm happy to report that our firefighting crews are well trained and prepared to fight fires this summer. We have a system of moving our firefighting crews and also our air tankers around the province based on the probability of wildfires in one region or another. That puts them closer to where fires are likely to break out and thus minimizes the response time.

I'd like to remind Albertans that they can all assist in fighting fires by looking at our FireSmart program on the SRD website. Also, if you spot a fire, you can call 310-FIRE to report any wildfires.

Thank you.

**The Speaker:** The hon. Member for Lethbridge-East, followed by the hon. Member for Edmonton-Castle Downs.

### Support for Seniors (continued)

**Ms Pastoor:** Thank you, Mr. Speaker. As we all know, this is Seniors' Week, and it's quite appropriate that we've had many questions pertaining to seniors. They have contributed to the economic growth and prosperity of this province and expect that that contribution would be recognized. My question is to the Minister of Seniors and Community Supports. How does this government expect retired seniors, most of whom are on fixed incomes, to keep up with the rising costs associated with living in Alberta?

**Mr. Melchin:** Mr. Speaker, I too, as mentioned before, am appreciative of the seniors of this province for the great work that they do and the contribution they make. That is why our program design

was more tailored to assist those in the highest of need. As we have a growing population of seniors, I think that's going to continue to have to be the focus of where we look, those in the greatest of need, to ensure that we provide the supports for them rather than trying to see if we could do something for all of the seniors, some of whom may not require that assistance.

**The Speaker:** The hon. member.

**Ms Pastoor:** Thank you, Mr. Speaker. My question would be to the Minister of Health and Wellness. Finding affordable housing is a constant struggle that weighs heavily on seniors. The constant stress and insecurity about something as basic as home can aggravate both physical and mental illness. Will the government commit to conducting a comprehensive assessment of the health impacts of the policies before they're implemented?

**Mr. Hancock:** Well, Mr. Speaker, I think that's a very interesting concept. I'd certainly be willing to look at that concept. I think that's what we need to do, quite frankly, with respect to all of our policies as we move forward and look at reviewing the health status of Albertans and making sure that individuals can take responsibility for their personal health but have the necessary supports in place to be able to do that and, as we've talked about in this House before, looking at the continuum of care that's necessary to either support a senior or any individual, for that matter, who needs assistance in their own home versus the continuum of care through to living in a long-term care facility. Any policy that we bring forward from a health perspective needs to be examined in terms of how it impacts an individual's ability to take care of themselves and to use the supports in the system necessary for a healthy life.

**The Speaker:** The hon. member?

**Ms Pastoor:** I'm finished. Thank you.

**The Speaker:** The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Glenora.

### Keystone Pipeline Project

**Mr. Lukaszuk:** Thank you, Mr. Speaker. As we are sitting here today, the National Energy Board is reviewing a proposal to construct a pipeline between Alberta and the U.S.A. for the purpose of exporting raw bitumen. This bitumen is to be refined and upgraded in the U.S. and possibly sold back to Canada as a value-added product. Unless the Minister of Energy has some additional facts to contribute, at face value this proposition does not seem to be in the best interest of Albertans and Canadians. My first question to the Minister of Energy: since diversifying Alberta's economy, promoting value-added production in Alberta, and expanding Alberta's labour opportunities are this government's priorities, why do we consent to exporting our unrefined, raw resources?

**The Speaker:** The hon. minister.

**Mr. Knight:** Well, thank you very much, Mr. Speaker. Initially what I have to say is that this government has a plan to build a stronger Alberta. Getting the best value from our resources involves more than just upgrading or refining. What makes the best sense for Albertans is to have the flexibility of a basket of products, a portfolio of resources, including everything from raw bitumen to synthetic crude to petrochemicals and transportation fuels. It's important that

we get the pipelines to the best markets for these products: for our bitumen, for other products that we ship out of Alberta. To be clear . . .

**The Speaker:** I think we'll ask the hon. member to continue.

**Mr. Lukaszuk:** Thank you, Mr. Speaker. To the same minister. One could then argue that Albertans are getting the dirty end of the stick, where the environmental footprint of extraction of raw resources stays in Alberta, but the U.S.A. benefits from high-skilled employment opportunities and the value-added of the product refined in the U.S.A. What is the minister's comment on that?

2:20

**Mr. Knight:** Well, Mr. Speaker, we certainly do believe in increasing Alberta's capacity to upgrade and refine, and we will see a significant increase in these activities in coming years. But, at the same time, these operations are very carbon intense and require large amounts of resources, including electricity and water. More upgrading means more greenhouse gas. You have to look at the carbon intensity and environmental impacts of both – of both – recovery and upgrading.

Mr. Speaker, my comment with respect to the member is this. You've got one foot in the canoe and one foot on the dock. The boat is leaving. Make up your mind.

**Mr. Lukaszuk:** Well, it sounds like I'm doing splits, Mr. Speaker. I hope it doesn't hurt.

To the Minister of Energy: will the minister submit the Alberta government's position on this issue to the National Energy Board or intervene at the hearings?

**The Speaker:** The hon. minister.

**Mr. Knight:** Well, thank you very much. Mr. Speaker, we already have. Alberta has intervened in this process to ensure that we get all of the information available about the Keystone project and what it means to the energy industry and to Albertans. On the issues of bitumen export and upgrading we will continue to intervene and represent the best interests of all Albertans.

Thank you.

**The Speaker:** Hon. members, that was 82 questions and answers.

The hon. President of the Treasury Board to supplement an answer to a question raised to the Premier yesterday.

### Contributions to Premier's Leadership Campaign

(continued)

**Mr. Snelgrove:** Thank you, Mr. Speaker. On behalf of the Premier, the Premier committed to confirm that what he believed to be true was that the return of the donation had happened, and I'm happy to confirm it was returned to Beaver regional management, as the Premier had stated yesterday.\*

**The Speaker:** That allows for a supplementary question from the hon. Member for Calgary-Currie.

**Mr. Taylor:** Thank you, Mr. Speaker. Then my supplementary question would be: seeing as how the donation was made about six months before the money was returned and the cheque was cashed in the interim, what gives with all that? Why not just give it back right off the bat if, as the Premier said, it was unethical?

\*See p. 1479, left col., para. 4.

**Mr. Snelgrove:** Mr. Speaker, I think we've explained the process and how large of an undertaking it is to run a leadership campaign, and as soon as the Premier was made aware of the donation, it was returned.

### Calendar of Special Events

**The Speaker:** Hon. members, a number of members have already commented that this is Seniors' Week in the province of Alberta, and as we're in the first few days of June, I'd just draw to the attention of all members the other weeks and days this month so that nobody feels left out.

June is also ALS Awareness Month, or Lou Gehrig's Disease Awareness Month. We've already heard a statement with respect to Brain Injury Awareness Month. It is also Recreation and Parks Month. It's also National Spina Bifida and Hydrocephalus Awareness Month. It's also Stroke Awareness Month. We've heard one statement with respect to that. May 28 to June 3 is also National Sun Awareness Week. June 1 to June 8 is Water Safety Awareness Week. June 3 was National Cancer Survivors Day. June 4 was International Day of Innocent Children Victims of Aggression. June 4 to June 10 is also Canadian Environment Week. June 5 is World Environment Day. June 6 is Clean Air Day. June 6 to June 9 is Canadian skills competition, trades awareness week. June 8 is World Oceans Day. June 14 is World Blood Donor Day. June 17 is World Day to Combat Desertification and Drought. June 20 is World Refugee Day. June 21 is National Aboriginal Day. June 23 is United Nations Public Service Day. In la belle province June 24 is Saint-Jean-Baptiste Day. June 26 is International Day Against Drug Abuse and Illicit Trafficking. June 26 is International Day in Support of Victims of Torture. June 27 is Multicultural Day.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Shariff in the chair]

**The Deputy Chair:** Hon. members, we shall call the committee to order.

head: **Main Estimates 2007-08**

**The Deputy Chair:** The committee has before it three departments today: Infrastructure and Transportation; Employment, Immigration and Industry; and Seniors and Community Supports. Today is also the New Democratic caucus day. What we shall do is we'll begin now. The first hour we'll allocate to Infrastructure and Transportation, the second hour to Employment, Immigration and Industry, and the third hour to Seniors and Community Supports.

Hon. members of the ND caucus, you will have to indicate to me whether you prefer to use the 10-minute time slots. Is that what you'd prefer? Okay. We'll use the 10-minute time slots and go back and forth between your caucus members and the minister.

I also want to welcome the support staff that are here with the minister and advise them that should they need a glass of water or a cup of coffee, just raise your hand, and one of the pages will come by and get that for you.

### Infrastructure and Transportation

**The Deputy Chair:** We'll begin with the minister introducing members of his staff and giving his opening remarks.

**Mr. Ouellette:** Well, thank you very much, Mr. Chairman. I'm

pleased to appear before the Committee of Supply once again to represent Infrastructure and Transportation.

I would like to start by introducing the members of my department's executive committee and some other officials that are accompanying us today. To my left here is my deputy minister, Jay Ramotar. To my immediate right is Winnie Yiu-Young, senior financial officer, and Mr. Rob Penny, assistant deputy minister of policy and corporate services. Up in the balcony we have Shaun Hammond, assistant deputy minister, transportation safety services; Bob Smith, assistant deputy minister of the properties division; Barry Day, assistant deputy minister, capital projects; Angela Paterson, director of financial planning; Patti Van Mechelen, budget analyst; my executive assistant, Warren Chandler; and my communications director, Jerry Bellikka. We did find a booster seat for him today so that we could all see him.

Quite simply, roads and infrastructure play a critical role in the success of our province and in Albertans' quality of life. To be sure, the ability to move people and goods safely and efficiently is vital to our prosperity. However, the fact is that Alberta's population has increased by more than half a million people over the last five years. During that period at least 300,000 more cars and trucks have been added to our highways and roads, and this has clearly taken a toll. There has never been a greater need in our province for well-designed, efficient, and safe highways, bridges, and infrastructure.

As Alberta continues to grow, my department is helping to address the challenges associated with this growth. The construction and maintenance of roads is directly related to our government's priorities of managing growth pressures and providing safe communities. The Alberta government is making a huge commitment through the capital plan with a three-year target of more than \$18 billion. This level of investment has never been seen before in our province. In fact, on a per capita basis it's the highest in the country.

2:30

The estimates I am presenting today are clearly tied with the capital plan. For the '07-08 fiscal year the ministry's estimates to be voted will be approximately \$3.2 billion for expense and equipment inventory purchases, nearly a 16 per cent increase from '06-07 forecast. Of the \$3.2 billion, \$372 million is for noncash items such as amortization, nominal sum disposals, and consumption of inventories. When the noncash is excluded, the ministry has a \$2.8 billion spending target for programs. Four hundred and twenty one million dollars are primarily for highway rehabilitation and maintenance. Approximately \$297 million will go towards provincial highway maintenance and systems and \$124 million to highway rehabilitation.

More than \$1 million will go towards the Transportation Safety Board. Almost \$41 million will go into transportation safety services to fund things like vehicle and driver safety programs, monitoring of the commercial carrier industry, and safety initiatives, including implementation of the new traffic safety plan, which is one of my department's key mandates.

The traffic safety plan is aimed at reducing the number of people killed or injured on our roads. In 2005 a total of 466 people died in traffic collisions in Alberta. That same year there were more than 124,000 collisions. These are disturbing statistics, and we are working to change driver attitudes and save lives. Part of our plan involves key initiatives to help prevent collisions such as building safer roads, enhancing enforcement of traffic laws, and educating Albertans about traffic safety.

A key element of the ministry's program expense is capital support to municipal infrastructure. More than \$1.2 billion in grants will be provided to Alberta municipalities in '07-08. These grants

help municipalities fund their priority infrastructure projects. In most cases the decisions are local. Using this money local governments can direct funding at projects, including roads, bridges, public transit, water and waste water, and emergency services.

Over the next three years the ministry will provide \$422 million for the Water for Life strategy, of which \$103 million is specifically for the regional municipality of Wood Buffalo; \$159.3 million was approved in '07-08, of which \$35 million is for the regional municipality of Wood Buffalo; \$174 million was approved for '08-09, \$34 million of that was for the regional municipality of Wood Buffalo; \$88.3 million approved for '09-10, \$34 million of that for the regional municipality of Wood Buffalo.

Also included in the ministry's voted expenses category is \$360 million for government operations. This funding enables the ministry to maintain the day-to-day operations and maintenance of government-owned properties as well as leases, the Swan Hills Treatment Centre, and capital and accommodation projects.

Funding for natural gas rebates in '07-08 is budgeted at \$477.3 million, a \$114 million increase over the '06-07 forecast. This reflects the projected increase in natural gas prices.

The ministry's capital investment budget will be nearly \$1.5 billion in '07-08, an increase of \$549 million over the '06-07 forecast. Approximately \$201 million will help fund several major projects such as the Royal Alberta Museum's renovation and expansion, the first phase of the construction of Edmonton's new remand centre, and the Brooks crop research greenhouse. In addition, Infrastructure and Transportation will invest in provincial highway systems and the strategic economic corridors: \$626 million is allocated for the strategic economic corridor investment initiative, including the Edmonton and Calgary ring roads and the north-south trade corridor.

I want to take this opportunity to clear up any possible misunderstanding about the cost of construction on the Anthony Henday Drive south-east in Edmonton. The '05-06 provincial budget provided \$83.3 million for this P3 ring road, but the Infrastructure and Transportation annual report for that period shows an expenditure of \$118 million. The additional \$34.7 million recognizes the actual amount of work completed by the end of March '06. The \$34.7 million does not represent a cost overrun as the cost of this project is fixed. This amount will be reduced from the future budgets to stay within the project cost.

To continue with program expenses: more than \$385 million will be used for provincial highway systems. This includes constructing and enhancing provincial highways and bridges so we can continue to meet the transportation needs of Albertans and others who drive through our province.

Infrastructure and Transportation plays a key role in managing Alberta's growth pressures. We are also looking ahead to what Alberta's infrastructure needs will be many years down the road. Through careful planning and strategic investment in key projects, we can ensure that Alberta continues to be an economic leader in Canada.

Thank you very much, Mr. Chairman.

**The Deputy Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Well, thanks, Mr. Chair. I appreciate the opportunity to ask questions of the minister and would like to welcome his assistants here this afternoon. The Alberta New Democrats, as you know, have been very concerned – and I'm sure the minister has been concerned as well – about the infrastructure of our province not keeping pace with the increase in population, the increase in our GDP, and just the overall expansion of the province.

I realize that your job is very difficult, but, Mr. Chair, I'm also concerned that for every month or quarter that we delay in building certain projects, the cost of those projects with inflation and other pressures just adds to the project to the point where we have to cut back or defer projects even further. I'm sure the minister and his department have been calculating this.

So my first question would be to ask if they've done a cost projection back five years, to say: how much more are we paying for some of these infrastructure projects because of the inflationary pressures that we find ourselves in now? We've kind of painted ourselves into a corner, so to speak, with some of these projects. Certainly, I'm sure that the Infrastructure department has some going back five years to determine how much more we're paying as a result of the inflationary pressures that we find ourselves today.

Of course, you know, while perhaps it's a bit of a crass way to put it, there is a measure of truth when you say that you build public works projects when there might be more of a lull in the economy. This is just an historical way of dealing with things, right? You say, "Okay, the economy is pulling back a bit here," so the government inserts capital projects to keep the economy going. It's a good time to do it, and you might even save some money off of it as well.

You know, we missed that opportunity, Mr. Chair. That's what I'm saying. In the past five years, with this sort of ideological stubbornness to not pay, now we do have to pay because, of course, inevitably you do need to build roads and infrastructure and schools and everything, and we're kind of stuck with a considerably higher bill. I would like to know what percentage more of a higher bill, in fact, have we been stuck with here in infrastructure projects in the province of Alberta.

As well, further to that, I'm just thinking of what you've been saying to me here. Now, we know that perhaps with the P3 project with the Calgary ring road we kind of hit a good bit of luck there, really, because, as you've said, these guys got stuck with a much lower contract bill, and then the inflationary pressure kicked in, and there we go. I just want my second question to be to ensure what sort of long-term contract we have with the maintenance of that Calgary ring road. Does it have provisions in place for the company or companies to add costs into the maintenance of the Calgary ring road so that they can defer their costs?

**2:40**

After all, they're going to have to make a dollar from the whole thing. They're not just going to take the loss. If they do take the loss, is there a provision to ensure that, you know, the contract isn't left out to dry somehow? If they really did take a loss in the tendering of this contract, then are we not at risk of the providers to perhaps pull out? They would say: "Well, this is just too much. We can't take a bath like this." So that's another question that I have.

Certainly, as New Democrats, we want to make sure that everything is transparent in regard to the public/private partnerships that the government might enter into. So we were just wondering, as another question, if we could make it as a matter of course that a public comparator is always done with these major projects and as a matter of course that that is always disclosed so we don't have to have that difficulty. Of course, we knew you had it. You gave it to us, and that's great. But if we could build that into this in a systemic way so that we can always know straightaway and we'll say: "Here we go. Here's the piece. Here's the P3 contract. Here's the public service comparator, and that's how the choice was made," we would appreciate that very much, and I'm sure the public would as well.

This isn't my department as such, but I found it intriguing that as part of Infrastructure you have the natural gas rebate as a line item in your department. You deal with a lot of money it seems, and I

can appreciate that as well. Certainly, with the natural gas rebates you must build that into your budget, and you must also have a projection for where the natural gas prices are going to go over the next twelve months. So I'd like to ask if you could give us that information of how you are budgeting for the rebates and where you think that natural gas price is going to go here in the next fiscal year.

Of course, Albertans have come to really count on those rebates. When the rebates kick in, it becomes a media story. Right? "The rebates are in today" sort of thing. You know, it has become part of our energy-consumption culture in the province, so I'd like to know how much you are projecting to spend on that next year. I think that would be quite revealing.

Just as a final note for our first round here, I know that there was a great folderol with the municipal funding for Calgary, and straightaway the mayor of Calgary came back and said: well, because of the perceived shortfall, we're going to cut our LRT projects. You know, I found it very disconcerting how flippantly and how quickly the mayor just said, "Well, that's the first thing to go" as if that is less of a priority than something else. Of course, with the change in the way we have to use energy in this province and the way the cities are both growing – Edmonton and Calgary and others as well – I'm very concerned about the expansion of the LRT.

We have an expansion project now here in Edmonton. I want to make sure that there is a guaranteed commitment from Infrastructure and from this government that we're going to continue to expand lines in Calgary, to build the west line in Calgary, and we're not going to let the vagaries of some political squabbling get in the way of building an expanded LRT. I would like to ask as well if the ministry is indeed committed to the expansion of the east/west line of the LRT here in Edmonton, again an absolutely essential project considering how fast we're building now.

You must build your train lines at the same time as the buildings of your city are being built, as the real estate is being committed so that you can commit to nodes of where the railway stations are and rebuild, sort of, the model of your city, quite frankly, around the train lines that you decide to plan on. That's a commitment to an east/west line in Edmonton and a commitment to the original funding to the Calgary west LRT line as well. I would like to know just to what extent the government is planning for that in a long-term way within the Infrastructure budget.

Finally, the last comment I would like to make, something that makes me sound like a municipal politician, is that the state of the roads in municipalities is quite a big deal. I know that everyone here drives on Edmonton roads at least a little bit, and you know that if you get past the point of rehabilitation and a road is not maintained properly, it really has to get redone. I know that this budget talks about kilometres of highway to be rehabilitated, but I'm just asking about capital commitment to the urban road systems, if Infrastructure has built into their budget some projections on how much the municipalities need to not just rehabilitate but expand their road systems to make the grade. I know that this is a municipal issue, but then a good portion of road development is funded through Infrastructure through the municipalities.

Certainly, Edmontonians are very concerned about roads crumbling around them. You know, it creates practical problems but also sort of an irony on a higher level because the economy has never been functioning at a higher level than it is today. This is a boom of unprecedented proportions. But then the population looks out at certain infrastructure things and says: well, this has never been worse. So the contrast, I think, creates a problem in a higher sense. People say: if this is the best of times, why have these things never

been worse? Municipal roads in the city of Edmonton and to a lesser extent in other municipalities would fit into that category.

Thanks.

**Mr. Ouellette:** Well, thank you very much, hon. member, for all of the great questions you're coming up with. I do have to admit that we do have an awfully hard time trying to keep up with the growth that we have in this province. I don't think anybody could have predicted as huge a growth as we've been having here and how strong our economy has been, and with all of that come all the challenges of the inflation problems that you've been speaking about and what those costs are going to be.

But let me tell you that we're going to do the very, very best we can to try to catch up in our backlog. It's not just costs we're going to have a problem with there, hon. member. We're also going to have a problem with capacity, I'm sure. There will be times that we will actually have the money and could probably do more roads and probably won't have the capacity.

You were talking about: how much more is it really going to cost? Did we go back five years? I think probably the department did. They've got some figures they've passed on to me. But I like to believe that we're a department moving ahead, not looking back. We want to move ahead, and we want to get things done. I will tell you that over the next five years there are some large increases coming. In the year '07-08 our prices went up: for buildings, 18 per cent is what we believe we're going to pay more for this year; highways, 25 per cent. In '08-09, both of them, another 15 per cent increase. In '09-10, 10 per cent on buildings; 7 per cent on highways. In '10-11, 10 per cent on buildings; 7 per cent on highways. In '11-12, 7 per cent on buildings; 5 per cent on highways.

Because my people beside me are so efficient, I'll give you a little backwards stuff also. I want them to be much more efficient moving ahead, of course. When we move back from '07-08 to '06-07, there was a 20 per cent increase there. If we move back another year, there was 15 per cent. From the '04-05 it only went back 5 per cent, and the '03-04 only went back 5 per cent. So now I've given you a 10-year span.

2:50

You were also talking about what we do on our ring roads when we go about doing the comparator. We will actually do that on every single job that we even consider as a P3. We will never, ever build a P3 in Alberta without doing the due diligence, doing the cost comparator, and making sure that it's a good deal for Alberta taxpayers.

You were also asking about: can they increase us anywhere along over that 30 years? There is a clause in the contract tied strictly to maintenance and inflation rate, so it can't be a made-up number or anything else. When we have those inflations going up, they can increase a little bit tied to the inflation rate. Basically, what we say we have is a 30-year warranty because they have to pay all of the major rehab. Most roads in Alberta are constructed with about a 17-year lifespan expectancy to them. That's what they're engineered for. This is a 30-year program, so they may end up having to rehab that road at least twice – once for sure, possibly twice – before we get it back. That's where, actually, a lot of that saving comes into play and why we talk so highly of P3 situations.

We have full intentions of carrying on with ring roads in Edmonton and Calgary until they're completely done as you were asking earlier. We're going to go into the process here right away for some of the other legs that are left to do. We'll get a conventional market comparator done, and we'll also look at it the P3 way. As you know, it's like anything else. On the last one in Calgary what was so good,

if you looked at what I tabled yesterday, is that the amount of money between those bids, how much money there was left on the table from the low to the high. That shows how competitive it is.

That also is a reason why we have to be very, very careful on what information we give out as far as how the comparator was done and everything because it actually will take away our competitive edge if all of the contractors know how each other priced that contract. It actually would take away some competitive edge. We want you to know what all the figures were as long as it's not releasing their private information and what they used, so their competitors don't know how they go about doing their tender. That's pretty important to us, and it's really important to them because they come to us and say: don't tell these other guys how we've done this. They're not talking about our opposition; they're talking about their opposition within the marketplace.

You were talking about whether or not we would make sure that the LRTs were done. It's really not any of our type of business, but I'll tell you how I believe it should be looked at. We probably give more grants out on a per capita basis to municipalities than any other jurisdiction in Canada. We have a lot of grant money, whether it's AMIP or CAMRIF or the new deals for cities, the gas tax. As I said in my notes, there's over \$1.2 billion in grants alone that goes out to municipalities; it basically flows through out of my department.

That's not counting the new \$400 million that came out this year. Yes, there were some strings to that one, but some of these others: there aren't a lot of strings there. They can use that money for their infrastructure anywhere they want. It's their choice on what their priority is, whether it's an LRT line or an interchange or any of those different infrastructure things they need to build. We're here to try to help them as much as we can, but there are all of those grants in place for them to use that money to do that job with.

You also talked about the gas rebates. Really, the gas rebates: we're just a deliverer of the program. The Minister of Energy puts the price in on the estimate of what he feels the prices are going to be at the time, and then that's how much money comes to us. I do know, though, that they felt that our gas prices were going to be high this year and drop in the following two years. It's the estimate that they gave us. In '07-08 natural gas prices are projected to increase by 80 cents to \$6.75; the following two years prices are expected to decline, falling to \$6.25 by '09-10.

I think that I've covered all your questions. I think I got all four or five that you'd asked in there. I'm just trying to read the notes that I got down. Did I get them all?

**Mr. Eggen:** Yeah. Pretty good job.

**The Deputy Chair:** The hon. Member for Edmonton-Beverly-Clareview.

Hon. minister, if there are any questions that you may have missed, you can submit the answers in writing.

**Mr. Ouellette:** I'd just as soon get it over with now. I have lots of work to do later without finding answers.

**Mr. Martin:** We want to give you some writing lessons. Maybe we can do that, Mr. Chairman.

There are a number of areas, of course. I want to talk again generally about what we might call the infrastructure deficit. I don't envy you in an overheated economy – I call it an economy on steroids – trying to keep up. The impact is dramatic in infrastructure; it's dramatic in housing; it's dramatic in health care, education; you name it. But we have to deal with it. That's a reality. If we're not going to put the foot on the brake a little bit up in Fort

McMurray, then we have to deal with it, and it's not cheap. There's absolutely no doubt about that.

I notice some of the figures just in highways that I read, and maybe the minister can comment if these are correct. The figures that I've seen are that by year's end 17 per cent of Alberta's 30,860-kilometre highway network, more than 5,000 kilometres, are in serious shape and need to be fixed. You know, the potholes. We talk about Edmonton. That seems to be a big issue, but I'm talking generally around the province. I'm told that by 2009-2010 that is projected to hit 21 per cent. So even just in roads, and that's only a small part of the minister's department. I don't know how we keep up with that, frankly. I think we're going to have to look at what we're doing.

I guess the question flowing from that is that the department must have sort of a short-term and long-term estimate about what I would call the cumulative deficit across the province whether it be roads, whether it be bridges, whether it be schools, or whatever. In other words, how serious is this problem, and could they give us that sort of figure? People bandy around figures. I'm not sure. I've heard \$20 billion. I don't know, but the department's best estimates and how they see them beginning to deal with this. I know that we start in this budget with more money, and the minister has alluded to that, but when we're playing catch-up, it's very difficult. So I think it's important for us in the Legislature here, I think it's important for the people of Alberta to know exactly what sort of problem we have here.

As I say, the cumulative deficit and then what the department sees. I don't know if it's five years, 10 years, or how we're going to deal with this because you can never catch up because as the minister well knows, the longer you wait, the bigger the bill becomes down the way, right? So if we don't fix it today, and we wait until next year – I know that's true with schools – then next year it's even more expensive. It becomes very difficult to try to deal with this. We're trying to get a handle on just how serious the problem is and what the department wants to look at in terms of how they're going to deal with it.

3:00

That ties into another thing that I'd like the minister's comments on. It's fairly new. We've been talking about the rising Canadian dollar. We now know that it's 94 cents. I think the Treasurer has been alluding to this. That means that our revenues would be down about \$984 million. When I look at that, that's equal to all the capital dollars dedicated to schools over the next two years. Nothing we've done, but the dollar has changed. A lot of people are speculating that we'll have parity with the U.S. dollar by the end of the year. Who knows? But there is that speculation. If that were the case, we would lose from revenues here \$1.7 billion. When I look at that, that would be like losing every dollar budgeted for infrastructure support province-wide. So not only are we playing catch-up, we may be playing with our dollar.

I wonder if the department has had some discussion about this new reality of the rising Canadian dollar and what that may mean in terms of our projections down the way. If we start to lose something like \$1.7 billion, that surely is going to have an impact. Now, I think that would be tying in to the royalty rates that we've talked about and that there should be an increase there, but that's not in this minister's department.

Before we talk a little more about P3s – I know that they're the minister's favourite topic, and the minister alluded to it – I want to ask about just the transportation part of his portfolio. I think we all drive highway 2. If I can say, often I try – and I know it's not right – to go 10 miles over the speed limit, but I almost feel when I'm



doing that, that everybody is passing me. I know that this has to do with the Solicitor General, but I don't know how you deal with that problem either. I'm not expecting a magic wand here, but that is a very dangerous highway.

Of course, the other highway that I specifically want to talk about is highway 63. There have been a lot of complaints about that road. I know that we're working on twinning it. It seems to shift when we're going to have that road completed. Can you give me just an update for when we'll see that finally done, including I think it's highway 28, where the connection is? Because that's also a very dangerous road.

The other question. There'll be some other things that we can get into, but I want to talk a little bit about the school situation, having, Mr. Chairman, formerly been a trustee. At the time when I was there, it was Infrastructure that was solely responsible for school maintenance and building new schools. Now it's my understanding that it's both. I'm a little confused. I asked some of the board people that I know, too, and nobody seems to know who calls the shots here. I'd really like an explanation of how that works with schools, with Infrastructure and the Department of Education and who makes a decision and how it comes about in that reality.

I just want to come back to the overall Infrastructure budget and say to the minister that if we're going to move ahead in the next little while – he has three-year projections, and I've asked for what the total deficit is. But in the next one to two to three years we've got all these things occurring: the rising dollar, more projects coming up, overheated economy. The longer we wait, the more expensive. I've asked for 10 years, you know, how we deal with it. What does he see over the next one to two to three years, and how can we begin to dent some of this problem? It becomes a fairly serious matter. We've got people coming in, the quality of life that people talk about, wanting to live here in Alberta. If our roads are falling apart, that's the first thing that people notice. That's what they complain about. I remember being in B.C. once during an election campaign, and he said: you know, it doesn't matter what you do in a rural area; all you have to do is promise them that you'll blacktop everything, and you'll be popular. So roads are very much things that people look at very quickly, but I know that there are all sorts of other areas. I'm saying that it's not an easy job. I don't envy the minister in trying to deal with this, and of course you have to deal with the Treasury Board and the rest of it, but it is a key department if we're going to deal with the problems that we're facing.

I'd just conclude there and sit down. I'll have some more questions, perhaps about P3s, but I'd like the minister to fill me in on those issues.

**The Deputy Chair:** The hon. minister.

**Mr. Ouellette:** Well, thank you very much. There's a lot of stuff you're saying that you're right on the money with. I might jump around a little bit to try to answer some of your stuff.

I think I'd like to start out by addressing a little of when you were saying that we have this backlog, because I've been admitting everywhere that we are in trouble. We've got a deficit with our roads. One of the main reasons is that we've only been actually doing 350 to 400 kilometres a year of highway rehabilitation. With the amount of highways we have and the way they've been deteriorating, we should be doing about 1,500 kilometres a year.

We are working on a four-year plan. We basically have what we're considering as a four-year plan to get us caught up. We haven't got the money committed to us in the budget yet, although in this year's three-year plan we have enough money in that budget to do about 2,500 kilometres of highway rehabilitation over the next

three years. Again I want to stress that we have a little bit of two types of problems there. One is that we're not fully funded to get to where we need to be to completely stop the bleeding, and we're asking industry to ramp up their capacity to make sure that we can carry on. Even though we're working on a four-year plan right now, and it's not fully showing it in this year's three-year plan, we believe we're going to get there.

I'll tell you how bad it really is. As of March 31, '07, total deferred maintenance across government was \$5.8 billion, and the figure is going to continue to increase as funding for preservation has not been sufficient to cover ongoing maintenance requirements and escalation in wages and materials. Ongoing maintenance is currently underfunded by approximately \$500 million a year plus escalation. The backlog of deferred maintenance is expected to exceed \$12 billion by 2012. We're working on that. That's what our estimates are today. That's why I'm telling you that we have a four-year plan, to try and bring that down. Out of that \$5.8 billion, about \$1.8 billion is highways and the other is vertical.

You were talking about the dollar. I mean, there's no doubt that as a government as a whole we all have to worry about what the difference in our revenue stream is going to be and that our dollar rising is going to change our revenue stream. We have, though – I think it's in our capital account reserve – about \$6.1 billion sitting there. We have our sustainability fund. So as far as it affecting the three-year business plan that we have right now or especially our in-year plan, it wouldn't affect that in-year plan. What we've got budgeted for and have money for, if it falls short, that's when we use the sustainability fund, for operations-type stuff, and the capital account for making sure that what we've budgeted for to build capital this year would go ahead. I mean, that doesn't make the taxpayer feel better that we're not going to have as much money coming in, but it's good planning on the part of this PC government and our Premier to make sure that we don't have the big ups and downs of cutbacks and all of a sudden the influxes like we used to have. We're trying to create a good, stable rate of funding.

**3:10**

Highway 2. I think we're up to 45,000 cars a day on that highway on counts, or right in that range. That's a lot of vehicles and a very busy highway for a four-lane highway. The speeds are unbelievable on it. I've been asking our department to try to figure out: is it safer to try to slow those vehicles down or let them move? I'm just going by experience now of driving that highway. I drive it at least twice a week and lots of times four. If I happen to pick up a policeman or catch up to one or one pulls out in front of me on the four-lanes somewhere between Red Deer and Ponoka and he happens to be going all the way to Edmonton, you just watch in the mirror as the cars back up. By the time we get to Leduc, you've got four or five miles of traffic backed up in fully both lanes. Is it safer to let them clear, or is it safer to back them up when you hold them at the 110? Actually, most of the time the policemen are also driving 120 or 125. I have to say that I don't know what's best there, and we're trying to check it.

I don't mean this badly, but you might be listening to the media too much, who don't always come clean with things or have the right facts to give, because by our stats and everything if highway 2 is not the safest, it's right in that ballpark of the safest highways in Alberta to drive on as far as the billion kilometres travelled with no collisions or the number of collisions. Highway 2 is the safest in Alberta. I don't know if that makes you feel better because there are lots of vehicles on it. By the stats on how they test highways for their safeness, not just us but across the country – I think the U.S. uses that same testing mechanism – that's classed as one of the safest highways.

Highways 63 and 28. That's about a middle of the road one in our average. Highway 63, which really you hear about a lot in the media, saying that it's unsafe, by our testing is a little bit safer than the average for Alberta by the traffic count and the billion kilometres travelled on it. Right now we're doing the planning, and engineering is under way. We're getting land acquisition. We're doing our aboriginal consultations. In the areas where we already have that done, we're starting to twin. I think we've already tendered the piece between 881 and the townsite of Fort McMurray. That tender is given to twin that this year. Why we believe that piece is so important – now that last year we finished paving 881 all the way up there – is that at least you have two choices now. You've got four-lanes coming out of Fort McMurray till you reach 881. Then you can either take 881 or 63. So you have two highways you can travel on. That also will make things a little better for us with the overweight, overheight, overwidth loads. We could actually direct traffic so they don't have to be held up. We could actually turn them at 881 and bring them out that way or bring them up that way.

We're also working on the new five-lane bridge that's going to go across the river right into the town of Fort McMurray, which is very, very important. I was talking to some people up there. If there's ever an accident on that bridge at shift change coming out of the plants, and let's say that they're coming into town at 7:30 at night, it might be 10, 11 o'clock at night before they get it closed, and they can't get across the river any other way. So they're pretty anxious to see the new five-lane bridge go in also.

You were asking about how our budgets work today or whose responsibility it is on schools. We have . . . [Mr. Ouellette's speaking time expired] I'll answer it next go-around.

**The Deputy Chair:** The hon. Member for Edmonton-Beverly-Clareview.

**Mr. Martin:** We have until approximately . . .

**The Deputy Chair:** You have until 3:28.

**Mr. Martin:** Okay. I'll try to judge my remarks to give the minister time.

Just a follow-up, and hopefully we'll get time on the other. I just want to come back to the deferred maintenance to make sure that I understand what that means. I was asking about the cumulative infrastructure deficit, and I think the minister was alluding to the deferred maintenance right now of \$5.8 billion, \$1.8 billion being highways, and projected to be \$12 billion.

**Mr. Ouellette:** By 2012.

**Mr. Martin:** Yeah, by 2012. Right.

What does that figure mean exactly? Is it desperate need? We've looked at the cumulative deficit. In that period of time is that the amount of money we'll need, or is that sort of more the emergency of things that we have to deal with very quickly? In other words, I'm just trying to get a handle on what deferred maintenance means. The minister said – he'll correct me if I heard him wrong – something about vertical.

**Mr. Ouellette:** Yeah. That's buildings.

**Mr. Martin:** Buildings. Okay. So schools and the rest of things like that, right? We're talking about schools and that. I'm trying to figure out what deferred maintenance means exactly.

You know, I guess the only other thing I'd say is that I think we

still have to be concerned about the dollar and the amount of money. Yes, we do have the sustainability fund, and we do have the capital fund, and we can do that, but ultimately if we keep going into that, that disappears too. I mean, that's not just the minister's problem. That's a problem that the government is going to face. But if the dollar goes to, say, parity and it stays there for a number of years, even if it stays at 94 cents, I think we really have to reassess a lot of things with that dollar. That's all I'm saying.

I want to just briefly have a discussion about P3s. I know that the minister loves talking about P3s. I want to say a couple of things. I appreciate the fact that he gave me the public-sector comparator. I think the previous minister said before that it was forthcoming. I haven't had time to go through it because I've been in Calgary, but I understand that a lot of it is blacked out. I think the minister is alluding to why: because of the different bids and the rest of it. I'm not going to ask, necessarily, for the minister to go through it. I need to go through it and take a read of what you've handed me. But remember that the reason that we were skeptical is because Henday did come out different than what was said before the public-sector comparator, and finally we got that information.

It is startling, the figures that the minister brought forward. I'm wondering how long this company will be in business. You know, that has to be of some concern. I guess I don't know what's in the P3. Is it maintenance and all the things? That's what I will sort out, and eventually we can ask the minister through a letter or whatever to deal with that. But it seems almost too good to be true. You know the old saying: if it's too good to be true, it probably is. I just haven't had the opportunity yet. I will do that and take a better look.

3:20

I know the government gives me the idea that the courthouse was a success as a P3. Well, it's a success after the fact, I suppose, because the original budget of \$300 million, as the minister is well aware, went to \$500 million, a 67 per cent overrun. The government said that was because of the judges, because of the security demands. Then we cut back on the project, and then it was a P3 for that private company to run it. I guess it's all in the interpretation. I don't see that as a P3 raving success from where it started. I think the government perhaps learned something from that courthouse, at least hopefully.

The other area, though, that I want to mention – and this is why I was asking about the schools. The Minister of Education keeps talking about the schools, and I know something about schools. If we're going to go that way, I think there's a better way. When we have the traditional financing, we can even get a better rate. Even if we have to borrow, we can do it cheaper than companies because of our credit rating. With the amount of money we have right now, I guess one would argue whether we need to borrow or not, but we also know that there's a huge infrastructure, so we want to put it off over time.

Let's not kid ourselves with a P3. The old saying: if it quacks like a duck and walks like a duck, it is a duck. We still will be responsible for that money over a period of whatever that time is: 20 years, 30 years. We're still paying for the service, so I think we have to recognize that in our plans. We always say: well, it's not a debt. It is a debt if we're in a contract, and I think the minister would agree with that. We have to be somewhat careful about that.

The other point that I'd make, though, is that I know that in Breton, Nova Scotia, especially with the schools – I mean, I question the P3s, as the minister knows, and indeed with some of the others there might be more of a rationale than there is in schools because what happens after in the schools becomes a crucial thing, Mr. Minister. In Breton, for instance, they couldn't have school lunches

because the private people were the ones that determined what was going on in the schools. A lot of what happens in schools, you know, is after for the community in the schools, and if somebody else owns those schools, for the time being they're the ones that are going to determine.

I think there are all sorts of potential problems there that I don't think the minister has particularly worked out. If the minister is pushing the P3s on the broader projects and they can say that there is a good public-sector comparator, you know, and they can actually do it – and I can't tell yet on this other one because a lot of it's blanked out – that's one thing. But I think that when we get into schools, that's another thing.

There are some other things the minister wants to say, and I want to give him enough time to respond. Thank you, Mr. Chairman.

**Mr. Ouellette:** I'll try to talk a bit faster because there's a quite a bit to talk about. On a really quick shot on where the schools are and where we are and who's responsible, we know that we have some of the best expertise across the country in being able to assess a job, being able to price that job, being able to do the due diligence to see whether we're getting good value for the dollar.

Way back when, Treasury Board decided or somebody decided, long before I got this ministry, where a school would be built, how much money would be spent on it and that sort of thing. Those decisions are all made by Education. After that point then we get involved. We check the tender out. We make sure they're getting value for their dollar and so on and so on, about the same as our P3.

Today on roads we probably have the best expertise. We're as good as anywhere in the world on being able to assess, design, construct, make sure the maintenance is done, the rehab is done, and the financing is right. We're working on trying to have that model with our vertical infrastructure, what you would call buildings. We still may have a little way to go there. I mean, we didn't do the courthouse P3. There's a portion of it that's being done as a P3, the finishing and stuff, and I'm not even a hundred per cent sure on how all of that worked.

The deferred maintenance stuff you were asking about: no, it's not an emergency. That's where we'll be if we don't do anything more than we've been doing in the past, just barely holding our own, I guess, or worse than holding our own. We're creating a deficit, I guess you'd say.

Currently on our road status 57 per cent is good, 26 per cent is fair, and 17 per cent is poor. If we do what our four-year plan is, we won't be in that position in 2012. We're only going to be in that position in 2012 if we don't pick up anything we've been doing. The target we're shooting for: we would like to have 80 per cent good, 15 per cent fair, and 5 per cent poor. We believe that at that rate you would have good roads in Alberta to drive on. People wouldn't say that they're deteriorating.

The buildings, the ones that I'm mostly concerned with now are the actual provincial buildings because all the budgets for the schools are in Education, the budgets for health are in Health and for advanced education in Advanced Ed.

I'm done. Thank you.

**The Deputy Chair:** Hon. members, the time allocated for this portion has now elapsed.

### Employment, Immigration and Industry

**The Deputy Chair:** I'd to welcome the minister and the officials that have accompanied her today. I would ask the Minister of Employment, Immigration and Industry to bring forward opening remarks and introduce her guests as well.

**Ms Evans:** Thank you very much. If I may, to my immediate right is Ulysses Currie, deputy minister; to my immediate left, Rick Sloan, assistant deputy minister. Duncan Campbell, who is the architect of much of the financial information that has been the background to the business plan, is with us. I believe that in the gallery we have assistant deputy ministers Susan Williams and Neil Irvine. I see a few others. Lorelei Fiset-Cassidy is there as communications director. I'm not sure if I see Ellen Hambrook. Peter Kennett and Shelley Engstrom are also joining us. Thank you. Glad to have you here.

I know that if the hon. members have had an opportunity to review *Hansard* for my last comments, they will indicate much of what I had said in the fullness of examining the issues that we're here for at the Committee of Supply, but I'd like to make a couple of brief additional comments to add to the opening remarks that were recorded previously.

First of all, since 1995 Alberta has created an average of 42,000 jobs a year and a growth rate of 2.7 per cent. Last year, 2006, we led Canada with a 6.8 per cent economic growth. We provide tremendous support in this department to the people of Alberta relative to the employment, the immigration as well as the industry.

[Mr. Marz in the chair]

3:30

Our department has allocated almost \$300 million in support of employment in Alberta, so our relationship with many of the postsecondary institutions is well known. We provide skills training like English as an additional language, and we provide increased living allowances for people taking English. I tabled a response to this question, but I do want to indicate that with our increased living allowance this year of 5 per cent for all grant-funded students taking courses after the 1st of August, we are giving significant increases in support to many people that are taking extra programming, either upgrading or improving their skills. We also announced a core benefit increase of 5 per cent that will be put in place on July 1 for those who are not expected to have employment or are temporarily unable to work. I'd like to indicate that the cost of these benefits increased our total amount for 2007-08 by \$9.1 million.

If anybody is eligible for income support, including those taking English as a second or an additional language, they're also eligible to receive support under the homeless and eviction fund, something people ask me about, whether or not students would be able to receive support.

Relative to answers tabled on temporary foreign workers in my last presentation, I want to once again remind this House that this is a federal program. Although we are working over the next few months, right until November, it's our intent to negotiate an annex with the federal government to the temporary foreign worker program. Greater accountability, no doubt, will result as a result of that collaborative negotiation process.

I want to just indicate that so far we've had many pilot projects that have increased the capacity of this government to respond to urgent labour needs. Even with the provincial nominee program I remind this House that this is employer driven. We're committed to the PNP program, but employers themselves have a great deal of responsibility in the definition of who shall come and what jobs they will undertake.

We increased our immigration funding by 15 per cent to almost \$68 million in our immigration programs overall. Our provincial nominee program will increase from an anticipated 2,500 nominees this year to some 8,000 in the third year of 2009-10. So we're looking at a significant number of people that will be entitled to

come in on the PNP program. If you look back six years and think that only 128 came in, it's a significant amount of increase.

Recently with the signing of our made-in-Alberta called the Canada/Alberta co-operation on immigration agreement, we have defined just how we will work collaboratively on all aspects of the agreement to increase and speed up the flow of immigrants that will be coming and taking advantage of these labour issues that are coming forward.

Our funding for labour standards and workplace safety increased \$30 million, up from \$7 million last year. Seventy-two people helping us keep Albertans safer on the job. Assessments, inspections, workplace safety, and funding for labour standards have been given a great benefit and a great boost. As I indicated, Gil McGowan gave me a letter of astonished pleasure, that he believed we had given such considerable influence to improving our capacity to monitor compliance and support with the labour force.

So, Mr. Chairman, I look forward to the questions, but I'm very confident with this budget that we will have a more comprehensive workplace health and safety campaign in place. It will be announced with further details this fall. I think that we have all the tools to address the issues that I look forward to receiving from our hon. colleagues.

**The Chair:** The hon. Member for Edmonton-Beverly-Clareview.

**Mr. Martin:** Well, thank you very much, Mr. Chairman. It's hard to try to get a handle on this department, all the various areas that the minister has to look at. I'm going to try to, you know, break it down in certain areas and go from there. I'll try to see how much time I have here. I think we'll do 10 and 10 and 10 and 10 if that's okay with the minister.

I want to start with the labour standards. We've been promised a review by the previous minister I talked to, and it was coming soon. In fact, after we dealt with Tyson, I was expecting it last spring. It's next spring, and I'm not sure when this is coming. I take it it is coming, so I'd like the minister, to begin with, to give us some idea. With all due respect, sometimes maybe in the past people on the workers' side would say, "Maybe it's better if they don't look at it because it might make it worse," but I'm sure that this minister would not do that to the working people, Mr. Chairman.

I think there are certain things in the labour standards that we want to look at, and we don't have to have a review. I think the minimum wage, again, has become an issue, especially with the overheated economy the way it is. I know that most workers aren't at the minimum wage, but the minimum wage has an impact on the rest of the wages. I'm wondering if that's part of the review. I'll come to the living wage part of it. Most people are now saying that in Alberta we should be looking at around the \$10 range because we've dropped behind, and with the cost-of-living here even at \$10 an hour it would be very difficult to live with the price of housing and the rest of it. So I wonder if the minister will talk about where that's at. Is that part of the review, or are they assessing that separately from the labour standards?

The other area – it sort of came upon us rather quickly – was the whole idea of 12-year-olds working. It wasn't during this minister's term but during the previous minister's. As the minister is well aware, that came up behind closed doors, and all of a sudden we knew that 12-year-olds were participating. Now, I guess there's a different argument here. Some people say: well, 12-year-olds, it teaches them responsibility. You know, that argument. I guess my bias is that I think 12-year-olds should be 12-year-olds. We're too anxious to get into the world of work. We're going to be doing that for the rest of our time. There are so many other things to do, and

I think there's a potential for school work and other things to suffer. Also, I think there is a health and safety matter. I know that the minister will say that we actually do monitor that, but I think that's very hard. You're not going to have a young 12-year-old that's going to have the confidence to take on the boss if they say to do this or that. So I really hope that we're taking a good look at that in the labour review. Maybe we're taking a good look, and we'll make it 10-year-olds. I would hope not. But I think that we should be relooking at that whole area. I'm wondering if the minister could comment if that's part of the review, when this comes forward.

The other area that I think is a real thorny one and probably one that the minister is having to deal with in caucus is farm workers, in terms of whether they should be included. I would say yes. I mean, we're not talking about the family farm. I think we could exempt them, you know, the one or two or whatever temporary people. But we have a whole agribusiness growing in this province. I think how ludicrous it becomes. I was down there during the strike in Tyson, and on one hand you had a labour union fighting for first contract arbitration with a union – I'll come to that later – and on the other side of the street there were workers there, and because they were called farm workers, they didn't even have labour standards. It seemed to me that was so ludicrous that it didn't make sense. I think we really have to straighten this out. As I say, there are these companies of agribusiness that can virtually move away from the whole labour standards in the province by calling themselves farm workers.

3:40

Now, I know that's a tough sell with some people. I think there's probably a way to get around it, you know, within the little family farms, but there are less and less of them, as we know, as we go along. So I would like the minister's comments on that. I have a feeling that that may be one of the small problems of why we've been waiting for this labour standards review to come public.

I want to ask the minister's comments – and it ties into the minimum wage and the rest of it – on the living wage. The minister is well aware that, I think, in Calgary they've moved ahead with what they call a living wage. It's Vibrant Communities in Calgary, and I think the city of Calgary has bought into this to some degree too. You know, they're talking that for a living wage – and I'm using Calgary figures here because these are the ones that I have. It's determined that "an individual working full-time (35 hours per week, 52 weeks a year) needs a minimum of \$12 per hour to earn a Living Wage (or \$13.25 in lieu of benefits). This figure is based on the Statistics Canada 2001," the reason being that Calgary's accumulated inflation rate surpassed the national average, as we know. In other words, they're saying that that's sort of a minimum to live in Calgary with any decency at all. So it's broader than the minimum wage.

I'm wondering if the minister is looking at it. I suppose we could recommend – I'm not sure how we'd go about doing it, but we could perhaps do it in government or whatever, but at least we know that Calgary is moving ahead. I wondered if the minister could make some comments dealing with the living wage and tie that, I guess, if you like, into the minimum wage.

There are so many other things. Maybe while I've got a minute or two, I'll throw out as many things as we can and bounce them here now. I've asked the other ministers about another report that's coming down the way – the minister is aware of this from her previous portfolio – the health workforce training. I think the minister's department is involved in this as is Advanced Ed and Technology, I think now, and the minister of health. This is a report that I thought was coming earlier on. I've asked the other two

ministers. Maybe this minister can give me an update about when we might deal with that because the minister knows better than anybody that the health situation is going to get severe. It's severe now, and it will get even more severe, not only with doctors and nurses but with everybody, certainly with the health sciences – that's a problem – to the point where it could be very dangerous.

I've seen various figures, Mr. Chairman, about the shortages that we're looking at down the way. I'm wondering if that's maybe why it's taking some time. At least it's better to get this out so that we know how serious the problem is. I was talking the same about infrastructure. We've got to know these sorts of things. While we're looking at reports, maybe we can comment on the two reports.

My time is almost up, Mr. Chairman, so I'd sit down and wait for the minister to come back with some of the answers. Thank you.

**The Chair:** The hon. minister.

**Ms Evans:** Yes. It's always a pleasure to hear the comments from my colleague opposite. There isn't much that we haven't experienced at least peripherally together in the political arena. He was teaching students at a time when I was a school trustee, and we both had a passion for making sure that children had a proper education. He was very respected in Sal comp, I must say, and I'm never surprised when he has a lot of the insights that relate to students and children. We share a lot of common backgrounds and thoughts on those items.

Let me start in the order in which the hon. colleague raised issues. The employment standards review has been undertaken by previous ministers, and we are looking at still further consultation this fall. If I could speculate, it's because a little bit of the scene in Alberta has been changing. You could reflect on whether or not rules that the federal government has brought in place to address employment standards should be part of ours, or should there be an assumption that those, for example, dealing with compassionate leave and other issues should be understood from the federal perspective as addressing that issue?

I thought that it might be a simple matter, but the more I look at the employment standards, the results of the review, and perhaps some of the ambiguities between federal rules and where we're currently going with our rules – and I think that the hon. member has also profiled the issues that relate to safety of workers when on farms, which is the way I'll propose it. If you have somebody working on a farm that's an electrician, that is there under contract, it might be relatively simple to identify that they are an electrician when they're there, but it might not be assumed to be that in terms of liability for the farmer.

It's taking a little longer than I would have hoped to really put in place something that would address the issues in employment standards in the proper vein. What I'm working on is making sure that for the ones that this budget anticipates, we're putting emphasis on those employment standards we have to make sure that there is adherence to the compliance for those employment standards.

The hon. member makes an observation: will we make it worse? I sincerely hope not, but I think underscored in that remark is the thought I have that if we're not improving it for the people that are employed, then we have to take a serious look at it. An understanding that I have is that the employment standards have to be complementary both for the person that's employed and the employer, that there should be some reasonableness and understanding, but overall I have taken the belief in this ministry that I should work at trying to reduce injuries on the job. In any case, people should expect to have somebody go home safe at night. They shouldn't be injured on the job, and there shouldn't be a situation where people are asked to do

things that have jeopardized or imperilled their safety in any way.

I think to that end, comments that have been made in this House have actually taught me a lot through the questions. I'll give you one example, and that is that when we look at negotiating our annex with the temporary foreign worker, I think it behooves us to look at how we can ensure that we know where that temporary foreign worker lands when they come to Alberta so that we can make sure that the employers are compliant with the standards that we do have. I think that has been profiled by the number of questions surrounding the knowledge we have of where temporary foreign workers are and acknowledgments in the House.

On many fronts, especially as we're looking to the annex on the made-in-Alberta agreement on attracting a labour force, I think the responsibility for us to look at these employment standards through the lens of a province that's attempting to attract many new workers – far from being less responsible, we have to be more responsible in what we anticipate our attraction should include. At the very least it should include an understanding of what the safety standards are for people who are applying to come here, and we should be providing that information through the employer, ensuring that it's provided in a form that we believe is correct.

So with your indulgence I would seek a little patience as we do that consultation this fall, as we look at some of the major employers who will be bringing over for short periods of time temporary foreign workers and finding out the very best possible way that we can ensure they're keeping those workers safe.

3:50

I've spent quite a bit of time with representatives from the Building Trades Council and dealing with people who represent the unions here in Alberta, and they are drawing my attention to the needs that I have to represent the safety and the health of these people in occupations. Unsolicited, people have come forward to meet with me to make that same observation. To the hon. member: I think that with additional consultation this fall, with a little bit of extra time and due diligence with the people that are most likely to employ people for temporary periods of time, with the opportunities we have to site in the heartland some 10 to 13 new businesses and industries, we need to understand the changing face of what labour really looks like in Alberta as people come for both times of shorter duration as well as the sustained opportunities for people who will one day manage an operation.

I look back, and probably at the time the hon. member was in Strathcona, when we were looking at the Shell Scotford being built with some 4,200 employees, about 10 per cent of those numbers were actually put in place to manage the plant. So at one point you have an inflation of a large number of workers, and then all of a sudden you go down and just have about 10 per cent of those workers.

It seems to me that while we've got this boom of construction, looking at the employment standards for those people that are likely to work in those situations and reflecting on what their needs are and the employers' needs for workers but reflecting on the needs to make sure those employees are maintained in the same kind of safe environment we would expect every day of the year for any Albertan, we want to make sure that those standards reflect best practices, particularly with the influx of so many. While much has been said about the red seal and certification and professional regulations governing the various professions, I think much more should be said about being sure that we have a safe environment for people that are coming, however temporarily, to do any kind of work in Alberta.

In the very few weeks ahead you will see more on the minimum

wage, but let me just say this: I have every intention of tabling an increase to the minimum wage for our caucus, and that will be coming forward. I know that they're aware of it, and our Premier spoke in this House about that. I would remind this House that, in fact, along with supplementary benefits Albertans are doing better, but over the last several months, with the rise in cost of living and the squeeze on higher rent costs and scarcer accommodation, it has been harder. So the living wage index that's being presented by the hon. member is something that I will clearly use as an argument. Whether it's for supplementary supports like the supplementary supports that are provided for child care through the Children's Services ministry for those people that need child care subsidies, through our health benefits for children, through our income supports, in all of these areas we are looking at what it takes to support people.

Looking at the constituency that receives the minimum wage, you know, I went into Dairy Queen in Calgary just on the weekend and noted that their minimum wage is posted for part-timers at just under \$10 – I believe \$9.95 – and full-time starting wage, I believe, was \$12.50. But almost nobody today – admittedly, very few places are getting away, if you can put it in those terms, with paying minimum wage because they simply won't attract employees.

So it's a good time for us to be looking because then we take a reality check of what is out there, what the market has.

**The Chair:** The hon. member.

**Mr. Martin:** Thank you. You'll get another opportunity. I understand that you'll go through, and for anything that's missed, certainly, written is fine.

Just while the minister was following up, I'm glad she said that it was complicated. The compassionate leave is something that I didn't mention, but the minister did. Just an update because I think that's a crucial one compared to the federal, but the minister seemed to say that there were some – maybe I misunderstood – problems with it. But if she gets a moment, could she talk a little bit about the compassionate leave?

I'm going to ask just a couple more questions flowing from the minister's answers. I'm glad that the minister is looking at increasing the minimum wage. I guess I'm sort of curious as to what, if she can give us a hint. I expect that I might be disappointed, but I'll ask anyhow. You know, I think most people were talking around \$10. The minister alluded to what some of the fast-food places are starting at right now. If she would comment from there into the living wage. She probably just didn't get time.

The other question. I know that she'll come to the task force if she gets a moment, and if she doesn't, she can write. But for employment standards I was looking for sort of a hint about when this might come about. I know that the minister can't say it's going to be, you know, that on August 31 we're going to come down, but if you can give us some rough idea of when people might look for these reports.

I want to go from there, though, into sort of the broader issues. As I say, there are so many different areas in the minister's department. I do want to talk about – and I think she'd be surprised if I didn't raise it – the labour laws. I'm wondering if there is any review here about labour laws. We've had some very tough strikes or lockouts or whatever, you know, since I've been involved. The most recent ones are Tyson and the Palace Casino now. The one that I think cries out is first contract arbitration.

Now, the previous minister said that they were looking at it because, you know, other provinces have. I know that it's a Conservative government, and I probably could ask about all sorts

of things that I think would be necessary to tip the balance to make it fair on both sides, if you like: replacement workers and those sorts of things. But I know that I'd be dreaming if we thought we'd get that, even though I would always make the case for it. I think it should be important to look at that first contract arbitration. We've seen it a number of times. A number of them have been with the UFCW because they've had some tough strikes, but once the union gets in there, then it's very hard to negotiate, and they try to wait them out.

Tyson did the first time, and eventually the union passed. I mean, we saw the violence, the potential violence there. We saw another long one at the centre here in Edmonton. I'm thinking now that the Palace Casino has been going on a long time. It becomes hard to negotiate to get that first contract. If there was sort of binding arbitration at a certain point, you know, with the strike, I think it would lead to better labour relations for everybody. I would ask the minister if they are considering that because, as I say, I think there are only three provinces that don't have it. She may correct me, but I think that's the case. I think that would be absolutely crucial.

As I say, I won't bother going through all the list and litany of other things, but that one has been so much in the news. I think that would lead to some fairness, so I'd ask the minister to comment on that.

The other thing I want to talk about – the minister alluded to it – is the temporary workers. It's a difficult thing. I know that the minister says that it's a federal program, but it was jointly brought together by the now Minister of Education and the Provincial Treasurer. I don't think we understood the scope of what was going to happen. It's part of the overheated economy again. We've had a number of instances that we've talked about here in the Legislature. I know the minister believes that the employment standards should be there, the same as for any other workers.

4:00

I want to just broadly ask, though. There's some discussion – and the minister is aware of it – about the use, especially in the tar sands and that, of temporary foreign workers. As the minister is well aware, within the building trades there is a feeling that this is a way to get around what they would consider legitimate unions. They bring people in. You know, we could talk about the apprenticeship, the training, and the rest of it. Actually, I've had people tell us that they had applied for a job that they'd advertised for temporary foreign workers. A person that was a tradesman had actually applied for that particular job, and they were told: don't even bother. Many in the building trades are saying that there are people in the hiring halls that do not necessarily always have jobs, and I think the minister would agree that our first priority would be the people here.

The other thing. Maybe the minister could comment. I know we're doing some work here, but I'm wondering what the scope is of bringing aboriginal people, especially, into those types of skilled jobs. I think our priority is our own people first. Aboriginal people are our people, and they need the training, you know, so if we can deal with them ahead of the temporary workers. Then I think the minister mentioned trying to get a handle on who's bringing people in so that you can have some idea of where they're at and in which industries and which companies. I think I heard the minister say that. I'd be very interested if she could add to that a little bit. I take it that this is a fairly new initiative, and I'm wondering if she could comment about that.

I'll give the minister a little more time because there's a lot of information here, but there is, as I say, a feeling that – well, I'll tell you a good example. I was in Mazatlán, Mexico, over Christmas, and a guy, a peddler on the street there, came up to me. "Where are

you from?" I said, "Well, I'm from Alberta." "Oh, I'm trying to get to Fort McMurray." So it's certainly out there, you know, that people want to come in as temporary foreign workers, but we really have to monitor it. We really have to make sure that it is legitimate. I really say that it should not be a way to sort of drive down wages in the legitimate building trades, who have done a great job here of building this economy. I would hope that the minister is monitoring all that.

I'm going to give you a little more time to go through because there are a lot of questions. Thank you.

**The Chair:** The hon. minister.

**Ms Evans:** Thank you. Timelines on anything: I haven't got anything definitive. I said that on employment standards: more consultation in the fall. I can tell you from my thought about it that it's likely going to be sometime next year before it comes back and sees the light of day. I would love to give you a different answer. I don't know that with the fall session it's likely going to be that we're going to tackle something that would be big at that time, but we might have done the consultation period.

You also asked me to expand a little bit on the 12-year-old. You know, the 12-year-old still has very strict controls, still with parental guidance and agreement, and we could probably both have some long conversations about whether that's the right thing. It depends, I think, a lot on what the placement is, but if that is revisited during the employment standards review, well, I'm sure that it will be discussed, in any event.

The health workforce plan. I think we're maybe days away from the release of that plan, but that's because, just like the hon. member has noted, it is a very important piece of our activity. We're continuing to work on it. That's the point. We haven't stopped working on some of the things like the retention/recruitment initiatives, the issues that relate to the purchase of lifts for people so that we avoid overexertion. We know that there are several hundred people that are off work as nurses because of overexertion, so that's been crucial. The work is going on even though the plan hasn't been released, but it won't be very long before it's released.

I think it's been quite novel to actually have three ministers work together on this plan, but it's the right link. It's something that I would have so appreciated when I was health minister because it's linking the trainer and the training piece with the practical application, and it's linking it with our ministry, dealing with six ministries under one roof now. When Mr. Sloan and his team go off to other places to talk about immigration or about attracting a workforce, we've got an opportunity to put that health group under the umbrella. When I was in London, it was astonishing to see how many of the health group came forward. Our federal government has agreed to contact everybody in the U.K. with a letter if they have applied to be a health worker in Alberta and tell them that under the new terms of this made-in-Alberta agreement, the PNP program is open, and if they get a job – several of them had jobs when we were there – then they will be able to.

The hon. member mentioned first contract arbitration. Although it was mentioned, I believe here in the House, that my predecessor would look at it, there was nothing initiated at that time, nor have I initiated anything. But the labour agreements generally, overall, have been really satisfactory if you look at the fact that 98 per cent are resolved without government intervention, that there's less time lost in strikes here in Alberta than almost anywhere else in Canada – I think our statistics are really admirable – and that the negotiations generally have been very positive. We've had some exceptions to the rule, but in large part they have been going very well.

I'd just say on the temporary foreign worker and the comments made about people that are trying to come here that we're going to look this fall at marketing through a web portal – we're marketing currently – so that your friend in Mexico would be able to read in Spanish what the credential requirements were, so that he didn't have to pay money there to some unscrupulous recruiter to get a job in Alberta. Those are some things that we're really going to target in protection for that worker and in anticipation of what they need to know.

We know that we will continue to maintain the responsibility of the employer to find housing for them. This is one of the reasons why in our department now we're doing an inventory of these groups that are coming here, including Total and Air Liquide and Aux Sable, others that might be coming, to say: what workers do you need, and what are your provisions for housing for them? We're trying to get a bit of a tighter grip on that, and I really appreciate that question.

**Mr. Martin:** How much time do we have left, Mr. Chairman?

**The Chair:** Until 4:28.

**Mr. Martin:** Okay. I'll start anyhow.

Maybe we should have some time to talk about the homeless and eviction fund. In listening to the minister, obviously we have – well, I'm not sure if she and I do, but the government and I have a difference of opinion about what we need to do in the short run on a very serious situation. I do appreciate that the minister is doing her best with this eviction fund to try to deal with the severe cases, but again I would say – and this is not necessarily the minister – that it's a funny way to do government policy. I think we have a broader problem here, and there are hardships.

I'm glad the fund is there because that was one of the recommendations that we made when I was on the task force. It was always the idea, from our perspective in putting it all together, that the eviction fund would be, you know, there for people. There might be a big utility bill that they couldn't handle or the first month's deposit when people came in. That was becoming a problem, and it sort of got broader than that. I think the minister has said that there's a fair amount of flexibility, so it's sort of gone beyond that, perhaps because it has to.

**4:10**

I guess the question that sort of flows from here, though, is: is there any suggestion? I've asked the minister because it used to be that we looked at: accommodation should take no more than 30 per cent of your income. I doubt that you can do that with this fund because I think it would be too overwhelming with the amount of people that are paying over 30 per cent. Dealing with the eviction fund – I know this is a government policy – even though there's flexibility, I'm wondering if they're saying: "If it's 50 per cent or 60 per cent of your income, it's too much. We'll look at it. If you're paying 40 per cent, that's too bad. That's just the way it is. We can't do much for you."

Obviously, I doubt that we could begin to handle – and that's why we called for the rent guidelines in the short term – all the people that are paying over 30 per cent of their income. That was sort of the standard thing before. I know that there is a supplemental program, too, that the government has. It's been there for a while. I don't think we can begin to deal with the amount of numbers. At least, that's what we're getting from people.

I know the minister says that there's flexibility. I understand the reason for that with the circumstances we're in, but there must be

some rough idea that people are using in terms of how much of your income should be going and when we'd take a look at you. I'm wondering if in doing this, this will become a major government policy. When more people know about this eviction fund, are there more people coming forward or less? What's the minister's assessment about where this program will be in the future?

**Ms Evans:** I think that's an excellent . . .

**The Chair:** The hon. minister.

**Ms Evans:** Thank you, Mr. Chairman. My apologies. I was up so fast. I didn't mean to cut you off there.

My understanding is that we've had over 500 clients now, who've received a benefit of over \$500,000. Now, that's really interesting because by May 31 there were 448 who received prevention eviction monies to the cost of \$385,900, an increase of 175 clients and \$151,000 over some period of time back, about a week before that.

What the director is to look at, if you read the one-pager that identifies the homeless and eviction fund, is they are to have the flexibility in one of the 59 centres in Alberta to judge the circumstance of the person themselves. I think that sometimes they probably subsidize considerably more than leaving a person with a situation where they would have been paying 30 per cent of their income. A rough idea would be hard to identify because periodically they're paying arrears in utilities for up to three months. We've got couples that have moved here who couldn't find housing, were given emergency funding, money for meals. We found them a residence, assisted them with a damage deposit. For people who are new to Alberta, for people who face arrears, it's just adjudicated on the basis of their needs.

There has been – and I think the deputy would agree – a considerable pride by the workers that we haven't struck an arrangement with them that forced them into any box in terms of what they provided. They had to look at the circumstances for the family, provide for their needs, and make sure that they were given what they needed for accommodation and, as well, that they didn't have to rob out of their food budget to pay for that. When I met, for example, with this city's west Edmonton office, they said that the best thing we ever did was give them some flexibility. I think that that's overwhelmingly been something where I think: if we were smart enough to hire those social workers, we should be smart enough to consider that they have the capacity to judge better themselves. The deputy particularly fought for us to make sure that there was some flexibility there so that they could make those decisions with the best needs of that family in mind.

Now, in this House, Mr. Chairman, I've received a lot of questions about how sustainable this program will be. Interestingly enough, there haven't been as many people as I might have thought across Alberta that would have been taking advantage of that homeless and eviction fund. But then I look ahead to the November to March period of this coming year. Last year during that period we spent some 9 million dollars supporting increased utility costs and all kinds of other things in emergency situations. At this point it may not be as severe, but I'm not sure that that will persist over an extended period of time because if people do get short, if the costs of living, as you pointed out, rise still further – and you see what they are saying in Calgary – we have no doubt that there are going to be more petitions to this fund.

Frankly, I'm surprised that there hasn't been a bigger uptake, which might speak well of the renter accommodation that's available, the attitude of landlords in not trying to pressure. But this homeless and eviction fund has been given very flexible latitude, and

I haven't had complaints come to my office that we haven't seriously considered the capacity of each. I think that where we have had some cautions raised is on whether or not they qualify for rent supplement on a different basis, and different kinds of criteria apply to the rent supplement program with the minister of housing.

**The Chair:** The hon. member.

**Mr. Martin:** Thank you. Just to follow up in the few minutes remaining. My guess about the homeless and eviction fund: what we're getting from our office is that people, seniors and people like that, probably would never go. You know, that's just the way they were brought up. They would not go. They might see this as welfare or whatever. So there are some people that just won't ever do that. Now, how many? I don't know, but I know there are some.

I think that probably the minister's department is doing a good job with those people that are coming in there. They see the need, and they are social workers. I agree that they should have the competence to look at each individual situation, and because of circumstances I agree that you have to do that.

I think that what I'm broadly getting at – and I don't know if the minister could allude to this – is what the social workers are saying about how much they are paying the ones that are coming in for their accommodation. I think there's a whole range of people that are hurting. Maybe they're not destitute to the point where they might need the eviction fund, but some people on fixed incomes and others may be spending 50 per cent of their income, and they're struggling and that. They probably wouldn't necessarily qualify because they're probably not as badly off as some other people, and they probably wouldn't apply. I think that's the group that I'm worried about. Well, I guess that we're worried right across the board. I mean, that's why we had the housing task force.

But that's what we perceive happening. We're not making it up, to the minister, because we are getting these calls at our office about people getting the rent increases. One of the things we talked about on the task force ties into the eviction fund. If we're not accepting the old idea of what affordability was – and that was 30 per cent. That's what we were suggesting on the task force. What is it now? The government said that they agree that there should be a definition, but they're not sure what it is. If the minister has any clout, I think that's something we have to deal with.

4:20

Now, I know the government has in the short run rejected guidelines, but then I think it's incumbent to take a look at what we now consider affordability. Times change, and maybe the government's mind will change if things cool off and we're able to get more housing on, but that takes time. That's the problem with the idea of the market. Most people say that it's two years, maybe three or four. Even if we're going to do all the right things to bring housing on and we have some money, in fairness to the government, to do this, it takes time, and that's what the problem is.

It's not just the destitute. It's a whole group of people that are probably spending way too much, and it's impacting their lives in very dramatic ways. They wouldn't necessarily show up at the eviction fund. I'll give the minister some time to talk about that.

[Mr. Shariff in the chair]

That ties in with the one thing we did miss in view of the minimum wage: the minister's – I know that they're not going to announce a policy – analysis of what Calgary is doing with the living wage. If there are some ideas that we can learn from there,



something we can do provincially, I think that that would help us deal with the housing crisis and some of the other things that we're talking about. I wonder if she would comment on her analysis of the living wage.

Thank you.

**The Deputy Chair:** The hon. minister.

**Ms Evans:** Thank you, Mr. Chairman. Well, I think we could probably give you some more in a written response, and I'm going to volunteer that on the living wage. I'm reminded of what I looked at with the lost-time claim rate and WCB, where the modification of that rate based on the worker going back to the workplace may not show any lost time but may show that they're working at something differently. You have to add the figure from the modified claim rate to the lost-time claim rate to get the true number of the injuries. Right? So you really can't look at one without the other to get a true picture of the injuries.

What you're telling me is that you can't look just at the 55,000 households that are getting income supports or the 20,000 learners that are getting income supports or the people that come under this eviction fund to get income supports in times of crisis or to sustain them through a period of time. You have to really look at, with the rising costs of housing and the inflationary circumstances we find ourselves in in this boom, whether or not we should be evaluating what the standard of living is in that context, whether or not they are suffering a much-reduced standard of living because they are paying more for each of the things.

I'm going to undertake to see whether or not we can get a handle on that. I think that's a very valuable situation for us to look at: to see what the actual living wage should be. Even though maybe our officials are looking at it, the pressures that are being brought to bear on the family income aren't overcome by the fact that we don't have a PST or that we have some fairly decent supplementary health benefits.

So I think that what you've pointed out is something we should be examining. We should be looking at whether or not it's fair and, even if we look at a rolling average across the province, to see whether or not that judgment is a fair judgment. If we are imperiling the nutritional needs of anybody because they've had to convert themselves to a dinner of pasta because there's nothing left in the kitty for food, for protein, then I think it behooves us to understand that. I think that that's of real value.

I have actually had a conversation with my son in Calgary, who fortunately isn't in that circumstance but does recognize that many of the people expect to be less wealthy even though some of them are receiving a cost-of-living adjustment because the actual inflationary cost of almost everything is hard to measure. The impact on a family of three or four people, for example, with the children and everybody else – costs at school, with everybody accepting, "Oh, well, the costs are going up," et cetera – may not be reflective on the average weekly wage that people receive because that wage rate may not be keeping pace with the actual inflationary costs of so many of the commodities.

I think you've challenged me with something that I've been thinking about for a while because it's a little bit like our injury rates, where you should be looking at the cumulative effect. I will undertake to take a look at that because I think it's an important consideration that you've mentioned.

I think I probably should just leave you a last-minute comment. I'll just say that I really appreciate that question, and I will try and see how we follow up on that.

**The Deputy Chair:** Hon. Member for Edmonton-Beverly-Clareview, we have about two minutes left in this segment.

**Mr. Martin:** Thank you, Minister, for taking a look at that.

While we're in this mood, I would ask just one last thing: if the minister would at least consider taking a look at how first contract arbitration is working in other provinces. I know that it's not going to happen overnight, but take a look and see if there's something that might be of value that we could bring back in the future.

**Ms Evans:** I will consider that. I will have a conversation with the hon. member at another time, perhaps before we really get into that with my staff so that I'm clear on the elements. If you'd like to prepare for that conversation, then we can bring it back and at least cover the bases that you'd hoped we would.

**Mr. Martin:** Thank you, Minister.

**The Deputy Chair:** Hon. minister and members of the staff, I want to thank you for your presence here and for answering our questions.

### Seniors and Community Supports

**The Deputy Chair:** I welcome the officials that are present here and upstairs in the gallery to support the minister.

Before I call upon the minister, I just got word – and we don't have it officially exactly to what extent – that a tornado has just touched down in Stony Plain, and some form of emergency has been declared. As we get a little more information, I'll bring you up to speed.

**Mr. Melchin:** Hopefully we're safe and secure in this building. Tornadoes will not come into this area. Those are actually very severe occurrences, so certainly our thoughts go out to any challenges that may be there, hopefully minimal.

I'm delighted to take the opportunity to spend the next little while reviewing the estimates of the Department of Seniors and Community Supports, but before I do that, I'd like to introduce the officials: Tim Wiles, deputy minister; Susan McCulloch, our senior financial officer. Next is Chi Loo, our assistant deputy minister, seniors services division. We have Dave Arsenaault, assistant deputy minister, community support programs, strategic planning division. Then we have Reegan McCullough, who's our assistant deputy minister, disability supports division. Very capable, really, I must admit, and I will reiterate again . . .

**The Deputy Chair:** Hon. minister, your staff can easily move forward so that they can be of more support to you. There's room there.

**Mr. Melchin:** They're right behind me.

**The Deputy Chair:** They're behind the minister. Very well.

**Mr. Melchin:** "We're right behind you, Minister." "That's very brave of you, Minister." "Courageous initiative of you there, Minister." And they are. They truly are, I would say, and they're willing to change places if you wish, as they wish.

**The Deputy Chair:** Very well, Minister. I have no problem with it. I just want to advise you that we are covered on camera. The camera is in front of you, and every time you turn around, your back will be on the screen.

**Mr. Melchin:** Anything for the television.

**The Deputy Chair:** For the officials, should you need a glass of water or a cup of coffee, please raise your hand, and a page will come by and offer that to you.

Thank you.

4:30

**Mr. Melchin:** It looks like there's already some water that's been appropriately tested here.

Anyway, I am pleased that we can take this time to review the estimates of the Department of Seniors and Community Supports. Really an outstanding group of individuals in this department also, among the leadership in this government. I've been very pleased to see the quality of service and capability and strength that we have in the government in all of the departments where I've had exposure, outstanding expertise and dedication. We just had last week, I guess it was, the tenure recognition of awards, not 10-year but tenure, so the five, 10, 15, 20, 30, and 35, and there were some that had had 40 years' service with the government of Alberta, really quite a remarkable achievement. We need to do more to recognize the great achievements and devotion and loyalty of those that work for the government.

This department has just been enjoyable to work with. The people issues that you can deal with, everything from all of the seniors. Clearly, many of them or most of them might be on fixed income and those in various forms of need. Our department gets into providing services and supports and even recognition of seniors and their achievements. Then we do a lot of work on behalf of those with various forms of disabilities and how we might be able to facilitate them. I would say, really, that the objective is to help them to become and attain to the best of their abilities.

So how do we provide the support structures to facilitate just that? There are some tremendous differences, real differences that are made in the lives of Albertans as a result of the services that are provided through this department. Just as a note, we're investing in the ministry's budget about \$1.8 billion. That's about an increase of 10 per cent off forecast, 8 per cent over last year's budget, a very substantial increase to acknowledge that this is an area where the government does consider it a priority to help those in need and to try to assess in the priority of the allocation of dollars where there would be an allocation of resources to facilitate ongoing services that are provided.

You know, the better quality of life enables some to give back to their communities as volunteers and mentors. We talk about seniors as volunteers and mentors. It is a very familiar concept to all of us, and most of them that you see are just as busy or busier than when they were full-time employed. Their contribution doesn't end with, really, the end of their work careers but continues to be that of role models and mentors and examples of strength to ongoing generations of Albertans.

Persons with disabilities also serve as credible mentors and role models. In fact, I attended a conference recently for Alberta youths with disabilities. There was a speaker, a keynote presentation. I thought I'd just quote it. I was really captured by the topic and their thoughts around it. Everything Worth Knowing I Learned from Being Disabled was the topic, and here's the description of the address:

It is a tragedy that some people are born without disabilities. Because of fate's flip of a coin, non-disabled people are destined to live lives desperately trying to prove that they're worthy human beings, measuring up to arbitrary standards of normalcy, perfection and worth. It seems so unfair that only people with disabilities should have the opportunity to recognize that the standards are inadequate, not the people.

Really quite inspiring as we'd gone around and met with various

service providers that there's a real refocusing on how we think towards the abilities that one has to contribute rather than those characteristics that may be preventative of some of their participation and pleasing to see that there is that thought that people have interests and talents and abilities, and how do you tap into that to help them really attain more of the same goals and aspirations that each and every one of us would have? So it's in those thoughts and directions that we really are encouraged and want to build.

I thought I'd touch just briefly on the seniors' services. About \$275 million is for the Alberta seniors' benefit, and it assists about 142,000 seniors. That's about 40 per cent of the seniors that qualify for the Alberta seniors' benefit. It's income tested, as you're aware, and it's a graduated scale. The more income the less of the benefit you might receive. What it is and has been designed for is to really provide targeted assistance and higher assistance to those in greater need. The models of income, obviously, aren't the only ways to measure it, but it at least was a methodology to make it simpler to help those on lower income.

So the Alberta seniors' benefit provides monthly payments to low-income seniors to help with day-to-day living expenses. It's a supplement; it was not meant to be a stand-alone. This was a supplement to the federal programs. There are programs like the Canada pension plan for when you retire. There are also old age security and other programs that were built on by contributions over time, and just being Canadians, we've all participated. This was to augment and supplement those federal programs, not to be stand-alone, in isolation. As such, just now we've signed an order in council that increases the income thresholds because the Canada pension plan raised its amount that they're paying for both Canada pension and old age security. So we increased our thresholds to exempt that income. We're not trying to claw back the amount that we provide but that we would help ensure that it was a supplement to and in addition to those federal programs.

There is a variety of special-needs assistance for seniors. There's \$26 million in special-needs programs to fund low-income seniors, and these are for one-time emergency expenses. You know, we could list a variety of things that are helped. Just as an anecdote, Mary is an 87-year-old who received funding for two hearing aids through the special-needs assistance program. Initially, Mary's application didn't contain all the information needed by the program to make a decision, but our staff are committed to ensuring that seniors obtain the assistance they require. They followed up with Mary's daughter Liz to get the additional information so that the program could fund two hearing aids for Mary. Liz was very grateful for the assistance, saying that it made a huge difference. These are the kinds of human things that do happen in the lives of people.

**The Deputy Chair:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Chairman. I want to thank the minister for his introductory remarks, short albeit they were, but I'm sure he'll come back at it later on. I also want to acknowledge the presence of the departmental staff. I appreciate their presence here.

I think the minister is right in stating that we deal with people who for a variety of reasons, whether it's age or disability or whatever else, are exposed to certain vulnerabilities which those of us who are neither old nor aged nor damaged by aging or don't have the disabilities sometimes don't recognize, and I appreciate that. On the other hand, I think it is true, as the minister again articulated, that although there may be people who are disabled, they have lots of abilities. That's a recognition, I think, that's been sort of progressively growing, I notice, over the last many years, and it's our job to

continue to ensure that all of us educate ourselves, keep up to date about the enormous potential and abilities that visibly disabled people among us do have. It's our job to enable them to translate that potential, those abilities into productive lives to the best of their ability and the best of our capacity to help them do so. That's certainly true.

Now, in order to do these things, of course, we need resources, and this budget is about those resources and availabilities. There is a fairly large number of people that the minister has indicated to us who, in fact, are the recipients of the programs and the assistance that the programs provide for both people who are seniors and people who are younger but suffer from disabilities of one kind or another.

4:40

The minister has drawn our attention to the fact that the budget has been increased by 8 per cent from budget to budget and 10 per cent if you look at what was spent last year. My first questions actually deal with the discrepancy between the forecasted program expenditures and the budgeted expenditures. I noticed that there's a noticeable difference between what was budgeted and what is now being forecast.

I look at the business plan, page 260, and then I'm looking at the other document too, on pages 281 and 280. I notice that there are several important programs where the money actually spent is considerably less than what was budgeted. Just to draw attention to a few things here that came to my attention: the budget for 2006-2007 for the seniors' benefit was roughly \$274,500 million. The actual spent, the forecast, is \$266 million, so there's about \$8 million there, or close to it, that was not spent. I know that the number of people in need and seniors in need is growing by the year, yet I find underspending happening there. I would ask the minister to perhaps try and explain to me what explains this discrepancy between the forecast and the budget.

Similarly, supportive living and long-term care: the budget was over \$5 million, \$5.364 million, and the forecast is \$3.864 million. That's again from page 260 of the business plan. Similarly, community support programs budgeted \$17.8 million and spent only \$11.8 million or so. I'm using approximate, rounded numbers here, Mr. Chairman. There are several of these discrepancies that cause me both some curiosity and concern. On the one hand, we recognize that these fellow citizens of ours are in considerable need, and the money that we budget is, in fact, to meet those needs, yet that money doesn't get spent. So there is need for an answer.

This is with the absolute due respect for the staff here. I was confronted with a similar discrepancy when I was debating with the Minister of Children's Services, and there were about \$30 million that were underspent in her budget, too, in the child care area. I probed her, too, about this. You know, why this underspending? I find this again happening here, so my curiosity is stimulated a second time around.

Let me ask this blunt question, as I've said, you know, with due respect for the staff, no reflection on them: are there any built-in incentives within the minister's office or in the government's policies which encourage departments to in fact underspend and find ways of underspending? Are there any built-in incentives, rewards, for showing forecast spending less than the budgeted spending? I hope that's not the case. We need to ask: why is it, then, that the budgets, which are carefully prepared, scrutinized in this House line by line, more or less, then appear to either be overestimates or to indicate some failures to spend them where they should be spent? Is it because of the qualifying requirements? Because these are income contingent. They are based on assessed need. Is the

assessment of needs, perhaps, responsible for this discrepancy between these expenditures? That's one question, Mr. Chairman, for the minister.

I was also looking at page 252 of the business section, on the business plans, and there is an interesting recognition there, rising cost of living, on page 252, I think. Yes.

Many of the Ministry's clients have relatively low or fixed incomes with limited capacity to adjust to the cumulative effect of rising living costs. In recent years, cost of living increases have been disproportionately higher for low-income households compared to higher-income households and the gap in after-tax income between families with the highest and lowest incomes has continued to widen.

Very, I think, cogent observations on what's happening in the province: the increase in the gap between high-income and low-income Albertans and the effect of the cost-of-living increases on family budgets, particularly for seniors and Albertans living on fixed incomes. I want to specifically ask the minister how these observations, which are not only cogent but very sober, I think, and important, are reflected in the estimates that we are examining. What's the response in the budget to the realities that a large number of Albertans are facing, both with respect to the impact of the cost of living on their budgets and also the increase in the gap between those?

One question that comes again and again to our attention . . . Later on.

**The Deputy Chair:** The hon. minister.

**Mr. Melchin:** Thank you. We'll attempt to answer as many of those as we can right now. If we miss something, we'll follow up through *Hansard* as well and provide some more detailed explanation of some specifics, which would be easy enough to do.

First off, I will even ask – certainly we can do it by a nod. I'm not aware of any incentives which are encouraging the department to underspend the budgets. Would that be a true statement? Yeah. I must admit, I have not heard of anything. I've not heard the topic raised. I've not actually initiated such a thing. In fact, we really have tried to assess – this is not a department where we're trying to lead by cutting anything. We're trying to really assess. That's why there was an increase in the budget. We're certainly trying to attempt it.

I can tell you only from experience as a chartered accountant and having had some experience in the past in controllership and financial vice-president kinds of roles that budgets are estimates, and there's no way to anticipate all the issues that could unroll through the year, to get that precision. There are really too many factors that go into it. In fact, I would say, quite rarely, unless the program's quite easy in design, can you ever guarantee that your actuals and budgets will come within a few dollars. You're going to expect some degree of variation from program element to program element.

What we did actually do: in some of the areas where we didn't spend as much money, there has been some reallocation of those dollars. You'll notice that we reallocated some dollars. Some of them went to the RASL grants and from operating to capital for rural affordable sustainable living projects. Some of it had gone towards even some wages and PDD. There was a reallocation of \$11 million at the end of the year to really go back to within that specifically to address service providers and wages and retention of people.

The comments I've got with respect to some lapses, in particular – I've got to make sure I'm talking to the right line item. I'll talk about some of the lapses. There was \$10 million that was lapsed in AISH and carried forward to the next year. It was used for initiatives to encourage independence in employment. With AISH you

don't really know the numbers of people that may come, so that will be some. There was \$15 million dollars that was lapsed in various programs and carried forward to be used for supportive living programs. There was \$4 million that was lapsed in AISH when a request to transfer funds from operating to capital for an IT system was turned down. In addition, there was \$16 million that was lapsed, and these are more AISH related. These funds were redirected within the year and used to offset federal revenues for the affordable supportive living projects. Some of that I mentioned on the RASL.

4:50

The community supports reduction was for a specialized service initiative. There was an initiative to help disabled young people, other than seniors, living in long-term care to have other accommodation and so forth. It was a program that really didn't have its take-up and wasn't started and therefore really was not used for that in that particular year. That's still an ongoing challenge for us because although sometimes we have the health facilities that can help the individual, you don't necessarily have the numbers of younger individuals to group together. As such, even with the best intent you don't always have the ability to deliver or the desire of the individuals or the quantity of individuals.

The seniors' budget, the difference between \$274 million versus \$267 million: funds were lapsed due to lower take-up for the long-term care initiatives for keeping couples together. That was 7 and a half million dollars. Now, what will happen in future years? I can't say. But that one particular period of time you allocate for a specific initiative, and it doesn't always roll out as fast or not as fast of uptake. Some of it's also because of seniors' higher incomes, so that would have another impact upon the budgets that we would have. Seniors on the Alberta seniors' benefit: the seniors' average total income went up from \$14,790 in 2005 to \$15,940 in 2007, so those would have some impacts upon the quantities that would be paid.

I missed, actually, your last question. I think they're getting me some notes back here, so I'll see what I get on that. This was to address the cost-of-living increases. The Seniors and Community Supports budget provides an 18 per cent increase in the AISH budget as follows: there is \$40 for financial assistance – \$40 million. Sorry. Yeah, \$40. That might be in our wallets, but it certainly isn't in the budgets of the government.

**Dr. Pannu:** Even accountants can make mistakes.

**Mr. Melchin:** What's a few zeros among friends?

Yeah, \$40 million for financial assistance, a \$50 per month per client increase. There is an increase in health benefits, an increase in personal. We were talking about cost of living. I mean, clearly those are the challenges of going forward. That was in response to reviews being done on AISH, for example, in that program about: how do you help those individuals?

Over the last three years there have been continued increases. As we plan forward, that's going to be kind of the direction we're looking at. How do you continue to see that there is that ability to help those on our programs like AISH to be able to meet the ongoing rise in the cost of living? That's been supported over the last three years. AISH has gone from \$850 up to \$1,050, and it still is the intent that we would continue to move that forward on an annual basis.

PDD. We did put another 15 and a half million dollars for staff retention and volume, and those are in relation to wage issues, wage pressures, those providing services. That's why we put even in the

last year reallocation so that there could be kind of a top-up, an incentive to retain, not an incentive to not spend the money. It was actually given back out as an incentive to provide some dollars back to those providing services so that we could keep them and hire additional staff for those providing services with PDD. So those are just a few examples, and we'd be happy to, if we've missed some questions, respond in more detail.

**The Deputy Chair:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Chairman. Some more questions for the Minister. The minister has touched on the AISH program and the increases over the last three consecutive years, which will bring the monthly AISH payment to \$1,050, I guess, as of April 1 this year. I'm sure these increases have been welcomed. I've been looking at a graph here a moment ago, Mr. Chairman. I'll just wave it at the Minister and then translate it into numbers.

The monthly AISH financial benefit, you know, declined quite dramatically in actual dollar value terms between '93 and 2003. In 1993 the monthly payment for AISH was \$810, and in real dollar value terms in 2003 it was \$663. If you use a '93 dollar to look at the actual absolute numbers, it was \$663. So the last two, three years of increases have helped, but they certainly are far from having brought to the level at which these payments were, say, 14 years ago. Far from it. But what's hopeful – I want to look at the optimistic side, the bright side of the picture – is that over the last three consecutive years there have been increases.

My question to the Minister is: is he going to at least link these increases to cost-of-living increases, just as has happened in the case of MLA remuneration? People on AISH are diagnosed or assessed to be in very, very dire need of help, and that's why they receive the money. They are highly vulnerable people. Is it possible for the minister to say to me and to these AISH recipients that from now on at least the real value of their monthly payments will not be allowed to decline, in other words it will be automatically linked, with respect to increases, to the increases in the cost of living or the rate of inflation, one or the other? That's my question.

Some other questions related to this have to do, of course, with the earnings that people living on AISH are allowed now. What problem does the minister see with increasing the allowable earnings limit for the AISH recipients so that that gives them incentive to go out and work? People seek to go out and work not only to generate supplementary income or additional income, but it also provides a great deal of social support and social networks, which are good for the mental and the social health of everyone. So would it not in fact be a good thing to increase the allowable earning limits for people on AISH so that they have this added incentive to go out and work? The minister's comments on that, I think, would be helpful.

Similarly, medical and health supports that recipients receive that are directly related to their disability need to be separated from the income support. The income support and the medical and health support related payments need to be separate. If this were to happen, AISH recipients who are able to obtain employment would not risk losing the medical and health supports required to work or to live independently in the community. Again, there would be more incentive to work.

Now, I'm not entirely sure how these two things are linked and how they work. The minister has the resources. You're surrounded by them, so I'm sure you'll enlighten me on this. I've got lots of AISH recipients in my own constituency, and of course their numbers are increasing across the province. So these are important issues of policy that will affect the well-being and sense of well-being of lots of Albertans who are recipients of this.

5:00

Another question that has been raised sometimes has to do with the level of AISH support. Should we try to approach it in terms of the low-income cut-off levels and see if, in fact, it's appropriate to move it up so that it will at least be at the level of low-income cut-off rather than the somewhat arbitrary number of \$1,050 that we have this year? Although, as I said, I am pleased that there have been increases over the last three consecutive years. That gives hope to people on AISH and certainly relieves some of their anxieties.

The minister very briefly referred to persons with developmental disabilities, the PDD program. Services to persons with developmental disabilities are delivered through six regional boards. Most of those services are contracted through community agencies, many of whom are struggling to recruit and retain staff in Alberta's hot job market. You did refer to some increase, you know, in this part of the budget, and I understand that the increase is about 3.5 per cent. Now, it is unlikely, in my view, that the modest 3.5 per cent increase in the PDD budget will allow contracted community agencies to retain staff, let alone address growth in caseloads and to reduce caseloads in order to make those services more effective. I wonder if the minister has some reflections on that.

Yes, I acknowledge that there's some increase there, but is it sufficient? I have before me a document called Alberta Disabilities Forum: Addressing the Needs of Special Populations in Continuing Care, Issues Prioritization Summary. I'm sure that the minister has seen a copy of it too. In this document one of the major issues that is identified that needs addressing, you know, along the continuum of care, whether it's home living, whether it's supportive living, or whether it's facility living, is the problem of attracting appropriate staff and the ability to retain them once you have them there. It is a very serious problem. It cuts across various categories of care that is provided and received.

If a 3.5 per cent increase in the PDD is a reflection of the general increases that the minister has sought to provide, will that be sufficient? Will that be an adequate increase given the labour market pressures, given the problems identified by this group? There are 36, I guess, different groups. Yes. I'm told that the Alberta Disabilities Forum, a coalition of 36 disability organizations, prepared this report. I don't know if you have this report or not. I'm sure you do. So that's another question.

With respect to Seniors and Community Supports, yes, \$255 million is budgeted for Alberta's seniors' benefits for this current fiscal year that we are discussing, a modest \$18 million increase from what was budgeted to be spent in the previous year. If there was going to be an increase in the monthly benefit level, it will likely have been announced. I'm not sure what this level is or if there's going to be an increase. It's therefore likely that the increase will be used to cover the growing number of seniors eligible for the benefit rather than increasing the benefit itself. A 14.7 per cent increase in funding for seniors' lodges was announced, which will allow the addition of 250 more lodge units. I guess the increase would seem to be targeted on increasing spaces rather than on the assistance per person. Would the minister like to comment on that, the problem that it creates?

**The Deputy Chair:** The hon. minister.

**Mr. Melchin:** Thank you. Some excellent comments. I'll start with AISH. You're absolutely correct. I guess that back in '93 there was an amount of \$810 per month, and it's only really been in the last few years that there's been any marked increase. But a number of things did actually happen in the past. There were some new personal benefits. Child care, transportation, a variety of benefits

went up in addition to rate increases. In fact, there were substantial additional health benefits: drugs, dental, and so on.

What happened in the past and is ongoing with some of the programs with AISH is that while it may not have always been to the monthly amount, there were benefit increases. I believe it's about \$350 a month, as an average, the amount of health benefits that we provide for AISH recipients in addition to the \$1,050 of income. So there are supports well above that. There is \$895 in financial benefits. On average, clients on AISH receive about \$1,245 per month. I guess that is what we're saying. In addition, a single AISH client can earn up to \$700 per month for the first \$1,000 of employment earnings.

A number of things did happen, actually. When you look at the cost of living, there were two things. One, we've been putting up in the last few years the monthly payment. Health benefits and other benefits have increased over the past years as well. Then there's been a shift also in the last reviews to increasing the threshold of income, exactly what you were talking about. But how do you encourage people to work, especially at that level of income to be able to retain some of that before losing their benefits, so that they have an opportunity to get on their own two feet before you take away the supports that might be helpful to get them there in a more long-term kind of setting?

I would fully agree and support that notion. How do you help someone get into some situations of more permanency and independence to the extent that they might? We have been working on this very much as a high priority and thinking that we have an opportunity of helping those on AISH to realize and think about their abilities rather than just their disabilities. How do we help them focus on how they, too, could be, like all of us, wanting to be active and contributing and earning and providing for those principles of independence and self-reliance? Those are very good qualities that we would wish for everyone.

I worry. There are 36,000 people on AISH, growing to 38,000, almost 39,000 in our projections this year. How can we get more of those back into the mainstream of life, work, and community and everything that would go with that? That's an enormous challenge, but I think that's more the direction we've got to really focus on. How do we help those individuals one at a time to be more capable of providing for their own needs, not just as a financial issue to us but for their own well-being? We are going to look at that.

As to whether we link it, that's a policy question. We've got some work left to do. The higher priority at this stage is to try to focus on helping those on AISH to really think about gaining their independence by providing supports to help them search and find work. We're working with Employment, Immigration and Industry quite actively on just that and hope to report through the year progress just on that front.

5:10

You mentioned some question about moving AISH amounts to other thresholds, the low-income cut-off and the like. Those are comments that are not in the business plan at this stage. Those are things that, I guess, we could certainly examine and see what that means. I don't know what that number would be, actually, off the top of my mind.

**Dr. Pannu:** I'm going to plant some ideas in your mind.

**Mr. Melchin:** Certainly. Yeah, I understand. That's part of the discussion. As we go forward, that's exactly, you know, part of the input. I'll be happy to accommodate and see what that means for us going forward.

The PDD agency staff retention: is 3.5 per cent sufficient? I

concur that that's still an enormous challenge. How do you retain staff? Three point five per cent in this environment is still an ongoing problem. We've increased the budget to PDD, though, 90 per cent since 1999. There's been an enormous increase to the budget over time and not necessarily a substantial increase in the number of people. There are about 9,100 people that we're servicing under PDD. Over half a billion dollars, a very substantive budget. It averages about \$58,000 per person for PDD. That's on top of AISH payments that they receive and on top of health benefits that they would also receive. For those receiving PDD, there's \$70,000, \$75,000 in financial resources that are being allocated. It's fairly substantive.

We've actually had a brainstorming session with service providers just recently, and it's part of our ongoing challenge. We've talked to them and said: "You know, we've put a high dedication of dollars to this. How do we see that this is getting to the front lines, to those providing the service?" We brought a cross-section of people there. It was just a brainstorming session. It was an excellent meeting. We plan to follow that up with providing people that are active, creative, looking at new ideas and new ways. There are some really innovative and successful models and ideas being employed by some of the service agencies. How do we encourage and engender more of that to come through the whole system?

If we can provide services more effectively, I think that would help us to reallocate more of those dollars, potentially from savings, to retention of staff. It won't be the direction of cutting the budget per se. But how do we get more effective in the use of these resources so that you can actually also afford to retain people to provide the services? It's very important and necessary.

I'm quite encouraged by the feedback we've had from the PDD, those that were there, the various boards and service providers alike. They are coming forward with ideas. It's not all about just a lot more dollars but how to better use those dollars. It's in that line that we're really trying to work hard this year and trying to find out those ideas. If it means that we have to start small and pilot some programs, we'll pilot them. We'll allow people to be innovative if they possibly can, provide the ability to try some things, get creative. It is about helping those persons, even those with severe disabilities, helping them and focusing on their abilities. How do we better do just that? How do we empower those 9,100 individuals to get the services that they might best qualify for? We are going to look at those.

Coming back to AISH, I wanted to mention, too, the income, and I'm glad to hear you speak in those terms. We do want to support their being able to earn income. We want to get rid of the barriers to people. You know, for those that are in that position, it's hard to give up those supports. We want to take away some of the barriers and risks to help them be able to get more positions of permanency and then, maybe, work on their transition off the support programs if they are able to support themselves. We will try and look at how flexible we can be and design programs or even work with individuals in contemplating those specifics.

Seniors' rates. You're correct that the rate increases have really gone towards the increasing number of seniors. There, too, we've had a number of discussions with various seniors' groups. One of the mandates from the Premier is a demographic planning commission. That's going to be a growing issue for us: the population of seniors as a percentage of the population. How do we ensure that the programs and the dollars that we have are best left to assist those seniors at that time and targeted to the highest need, to the best program? There is an ability for us to change what we have. It's hard to accommodate rate increases and volume increases and also see about sustainability of programs.

We've got some large challenges before us, and I think it's under that context that we start to engage some of the seniors' groups about how we might best do that. We have some other information that we'll supply also.

**The Deputy Chair:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Chairman. We'll continue. Again, I want to commend the minister and his staff for providing a very good analysis of the background to the budget and the business plan. On page 252 one cost that's identified as running almost out of control is the health care related costs, drug costs, number 4 on that page.

New and more effective drugs and advances in medical equipment can significantly improve the quality of people's lives and enhance inclusion in the community. Drugs have been the fastest growing component of Canadian health care costs over the past 25 years.

That, certainly, is true and has an impact when you later observe that there is an attempt, in fact, to move people out of long-term care facilities into community-based facilities or community-based support systems.

There, again, under 6 the observation is made that the shift from facility care to community-based care allows individuals to return home after shorter hospital stays or have their ongoing health and personal care needs met in their community where they may experience greater quality of life. However . . .

And I appreciate this observation here.

. . . this shift currently requires Albertans to absorb a significant portion of the costs of equipment, supplies, drugs, transportation and other items that would have previously been covered by facilities.

Now, it's been again brought to our attention that there's an attempt, of course, to move people from facility-based care centres into the communities, but the shift of costs over to families or to individuals is a key issue that's identified here under 6. Is there a response in the budget to this? As we encourage people who may have been receiving care in long-term care facilities over to more community-based support systems, how do you help such persons moving from one location to the other? It does translate into increased costs for them or for their families. What provision is there in the budget to support this policy of encouraging people to live in communities where, of course, there is a better quality of life? But in order for them to be able to do this, they have to be able to pay the bills, or someone has to pick up their additional costs. So that's one question.

While I have the book in hand, there's one little table here that I found somewhat intriguing. I couldn't make sense of it. It's right here on page 256. It's a performance measure, on the top of that page, having to do with seniors and persons with disabilities having appropriate supportive living options. The number of affordable supportive living units for aging in place developed with support from provincial funding: the last actual was 1,640. The target for 2007-2008 is 166, and by 2009-10, I guess, it will disappear, it seems to me.

5:20

Why is it that the business plan contemplates elimination, if I read the table correctly, of this number of affordable supportive living units for the aging in place program? I may be misinterpreting or misunderstanding this performance measure. How does it enhance performance? Performance measures are supposed to tell us something about enhancement, I guess, of some programs or the performance of those programs, but it seems to me that here we are kind of moving away from providing that particular kind of support in the first place.

Moving on, Mr. Chairman, to long-term care issues. Long-term

care facilities, of course, are operated – you know, several different players are coming into the picture. Public facilities is one, of course. Corporations and individuals under contract to authorities: these would be private facilities for profit, I would think. Then the third: private but nonprofit voluntary cultural or religious organization under contract to authorities. Three different ones.

As of a couple of years ago, 2005, there were 179 long-term care facilities, with 14,065 beds. There were roughly 600 people on waiting lists for long-term care beds. What is the picture with respect to waiting lists now, two years later, in 2007? Has the waiting list shrunk or, in fact, grown in size? If so, is it a matter that concerns the minister and the department? The waiting list is growing. What happens with people who remain on the waiting list for years?

I know that, personally, we had to deal with it when my mother needed to be moved to some facility. We just couldn't cope with all the services that she needed at home. The waiting list stood in the way. I know the excruciating kind of feeling that we had. We couldn't help her enough, yet we couldn't find a place for her, the waiting time issue. I'm sure there are families now that struggle with this day in and day out, and if the waiting list is growing, then I'm sure the minister shares my concern that this shouldn't be the case. Shortening the waiting list would be, certainly, a message of hope and relief to families who deal with their loved ones and can't provide the care that they need but at the same time can't find a placement for them somewhere in the facilities.

Now, one of the concerns that I have had – it may be a figment of my imagination, and I hope it is – is that more and more people in need of long-term care are having to move into private, for-profit facilities, where they have to bear additional costs. The costs of receiving those services in for-profit facilities are much higher than they would be in publicly owned facilities. If, in fact, it is the case that increasing numbers of Albertans receiving such care are having to move into private, for-profit facilities, then that would be a serious concern of mine. I wonder if the minister would have some light to shed on if there is a trend, if the cost differences are fairly considerable, and if that's making it difficult for people, seniors, particularly on fixed incomes, to be able to pay their bills. I hope to hear further on that.

We know that a lawsuit has been in the making with respect to the increases in long-term care areas. I think the increases are about 40 per cent to nursing care brought forward to nursing home residents, I think, three or four years ago, and that followed another 15 per cent increase just a year before that. With about 14,000 people in Alberta in nursing homes – and the numbers may be growing, so my numbers here may be somewhat outdated, and the minister can correct me on that – that would have amounted to \$128.7 million at the time the claim was filed, the cumulative, you know, money that went out of the pockets of families or persons in nursing homes because of the massive increase in fees.

**The Deputy Chair:** Hon. minister, we have about two minutes left in this segment.

**Mr. Melchin:** Two minutes?

Yes, no, and yes, no. I don't know what the questions were up front, but we'll supply much of the answer in response. On drug costs: you were mentioning in number 4 or number 6 on page 252 opportunities and challenges. We do recognize that that's just in the category. Though we have programs, services, we don't have all of the answers other than we want to identify that these are some of the challenges. We'd like to see more people living in place, helping in their home and those kinds of questions. That could save us substantively in the hospitals and the like, but as you pointed out,

then some of the companion costs shift to the person to bear.

That's part of what we're trying to sort out. In the end there are probably savings for the government to help continue to facilitate even if we picked up some of the costs, but those are things we'll have to work with the health department to finally resolve. We don't have something specific today.

I would just say that on the affordable living units, your performance measure, there are about 4,256 units since 2000 that have been developed for the assisted living. You're right. The performance measure mentions that goes down. The capital budget we've had and some federal and a lot of the provincial dollars, those programs have ended. They were short term in nature, program, and design.

So that's part of the work that we're considering at this stage: what is that program design? Going forward, how do we continue to see about those units, and in what fashion are they provided? We'll have to be reporting more on this performance measure in due course in the next year's business plan.

Accommodation rates. I thought I'd just mention that for long-term care, whether it's private or public, at this stage those are all fixed. It's at 48 and something dollars per diem. So it doesn't really matter if you're in long-term care, whether it's a private or public facility, their rate is fixed as to how much they would be charged.

I guess that's two minutes. I want to thank you. We'll respond to other questions. Didn't have time.

**The Deputy Chair:** Hon. members, the hour that was allocated between the New Democratic caucus and the minister has now lapsed. Are there any other members who wish to participate in the estimates? Anybody else have any questions? Seeing none, the committee will now rise and report progress.

[Mr. Shariff in the chair]

**The Acting Speaker:** The hon. Member for Calgary-Hays.

**Mr. Johnston:** Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions for the departments of Infrastructure and Transportation; Employment, Immigration and Industry; Seniors and Community Supports relating to the 2007-2008 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2008, reports progress, and requests leave to sit again.

5:30

**The Acting Speaker:** Does the Assembly concur in the report?

**Hon. Members:** Concur.

**The Acting Speaker:** Opposed? So ordered.

The hon. Deputy Government House Leader.

**Mr. Renner:** Thank you, Mr. Speaker. I move that the Assembly now adjourn and reconvene at 7 tonight in Committee of Supply.

**The Acting Speaker:** Hon. members, before I call on that particular motion, I just want to caution every member that there have been a number of weather advisories in and around Edmonton, so if you're going to be travelling, be careful. There was some word that there was a tornado that did touch down in Stony Plain, but I don't have any further information to give you.

[Motion carried; the Assembly adjourned at 5:31 p.m.]

